HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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HOUSE OF COMMONS

Wednesday, March 24, 1993

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADA STUDENT LOANS PROGRAM

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, government investment in education should be one of the most effective ways to build a better future for our country. The student loans program, for example, should be one of our most important initiatives toward creating a more competitive economy.

• (1405)

Unfortunately such educational investments are not paying off for Canada nearly as well as they should. Nothing could more graphically illustrate the reality than the advertisement being placed by students in New Brunswick this week. It says: "Help wanted. We are seeking 18,000 employers to hire a student for a summer job".

As we currently review and revise the student loans program to improve its fundamental mission of enhancing access to post-secondary education for students in need let us also revive the investment spirit of that program. Together with Canada's students let us accept the challenge to use education as an instrument for productive innovation so that we may generate dividends in the form of increased career opportunities.

It is only from such future employment dividends that the financial stability of the student loans program can be assured.

[*Translation*]

AIRLINE INDUSTRY

M. Nic Leblanc (Longueuil): Mr. Speaker, economic development in the Montreal area is greatly hindered by the enduring mess in air transportation. In addition, the federal government is reluctant to put in place a policy to make facilities more efficient.

Now a consensus is building in Quebec both at the political level and within the business community around one idea. That is to reaffirm the role of Dorval as a traffic exchange point for regular flights while assigning an essentially industrial role to Mirabel.

As transportation critic for the Bloc Quebecois, I support this idea and hope that the government will ensure that the required changes are made as soon as possible.

* * *

[*English*]

PUBLIC WORKS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the delay in the fixed link project is disappointing to its many supporters in the maritime provinces.

I urge the federal government to react with a two-pronged approach to the recent court decision. I urge that the decision be appealed. At the same time the government should move to meet the environmental requirements by making a section 12 determination in compliance with the court decision. The province of P.E.I. should move quickly to propose a motion requesting that the Constitution be amended, as is also outlined in the court decision.

Having just completed two weeks of legislative hearings on the fixed link process, I am impressed with the high level of environmental assessment work done on the fixed link. Transportation is synonymous with economic development in Atlantic Canada. Without this component being added to our transportation system Atlantic Canada will never achieve its potential.

For these reasons I strongly encourage all parties involved to address the concerns and progress with the project as quickly as possible.

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RAMADAN

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, this morning I had the great pleasure of joining with thousands of Muslims from the nation's capital who were taking part in the celebration of *Id Al-Fitr*, or the Little Feast, to mark the end of Ramadan. I would like to wish all Muslim Canadians and Muslims throughout the world *Eid Mubarack*.

Ramadan is the ninth month of the Islamic religious calendar and a time of fasting and prayer. It has traditionally been regarded as the month in which the first revelation of the Koran was made by Allah, which was about how he and his people should live.

Ramadan is an equalizer, when both rich and poor experience the feeling of what it means to be hungry. During Ramadan Muslims do not eat or drink anything from dawn to dusk, not even water unless someone is ill. This fast is one of the five pillars of Islam, together with recitation of the creed, prayer, pilgrimage and *Zakat*.

The celebration of the Little Feast to mark the end of Ramadan is a testament to the freedoms and privileges we all enjoy in our society. On behalf of the Liberal Party of Canada and my colleagues in the House of Commons I want to express my best wishes to all Muslims on this most special day at the end of this most special month. *Eid Mubarack*.

* * *

TAXATION

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, a column in *The Bottom Line*, a magazine for accountants, has described the Tory $500,000 lifetime capital gains tax deduction of 1985 as the biggest budget goof in Canadian history. It might also be described as the single biggest act of hypocrisy in Canadian history.

A government that has constantly lectured Canadians on deficit reduction threw away $20 billion, $14 billion of which was totally wasted even by the government's own standards because it was claimed by people who were not engaged in the kinds of economic activity that the government was trying to stimulate. It was basically a windfall for a minority of speculators and others of their ilk who should be driven out of the temple with a whip.

Now after the horse has left the barn we see attempts to close the door, but again only in a way that betrays the Tory bias for the rich. Ordinary Canadians with cottages are being hit, but not so ordinary Canadians with huge family trusts are having their capital gains tax exemption extended.

A government that asks so little of those with so much and so much of those with so little will not be surprised if the many reduce the Tory numbers to a few in the next election.

* * *

• (1410)

[*Translation*]

LIBERAL PARTY

Mr. Jacques Vien (Laurentides): Mr. Speaker, I have given up long ago trying to make sense of the choice of candidates in the Liberal Party. I think that Canadian people, who are after all financing the activities of the recognized political parties to a large extent, have the right to know on what basis the Leader of the Opposition can make nominations as a matter of course and turn down or forget about others.

For instance, the leader of the Liberal Party has recently prevented his party's president, Don Johnston, from running in Saint-Henri—Westmount. But this week the Liberal Party was welcoming Elijah Harper who has single-handedly and stubbornly blocked the passage of the Meech Lake accord in the Manitoba legislature.

I do not doubt the personal merits of Mr. Harper. What I do question however is the judgment of the leader of the Liberal Party who not only embraced Clyde Wells in Calgary the very next day after Meech died but is now embracing Elijah Harper. It is as if the Leader of the Opposition, having lost any hope of electoral success in Quebec, has decided to run in the rest of the country by siding with those who killed the Meech Lake accord.

[*English*]

MUSIC

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, as the member for Kingston and the Islands I am happy to inform the House that Kingston was the site of the Live Music Lovers' Weekend this past Saturday and Sunday. It was a weekend of great celebration. Dozens of local musicians participated in a spectacular display of musical talent organized by Kingston guitarist Matt Woodward.

Kingston's most famous rock group was away in Australia on tour while it received its second Juno award as entertainer of the year. Rob Baker, Gord Downie, Johnny Fay, Paul Langlois and Gord Sinclair, better known as The Tragically Hip, are winning fans world-wide for their composing and performing skills.

Parliament's acknowledged authority on rock, the hon. member for Windsor West, was heard to remark: "The Tragically Hip? They're terrific". What higher commendation for an outstanding group of musicians?

* * *

PARAMEDIC APPRECIATION WEEK

Mr. Stan Wilbee (Delta): Mr. Speaker, today I would like to recognize one of the most important facets of our health care system, ambulance paramedics.

In British Columbia paramedics are seen as front line health care providers in every type of emergency situation. Every year thousands of people are cared for by this system, by air, land or sea.

For instance, on March 12 of last year paramedics played a significant part in providing assistance to passengers in a collision between a B.C. ferry and a Japanese bulk coal carrier. As a former physician I know the importance of these men and women and the effective and efficient service they provide.

The week of April 4 has been designated by proclamation as Paramedic Appreciation Week in B.C. Please join me and my colleagues from British Columbia in showing appreciation for B.C.'s province-wide ambulance service.

S. O. 31

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, a few weeks ago 15,000 farmers rallied in Saskatoon to protest the policies of this government and support farm families. A week or two later a similar rally was held in Lucknow, Ontario.

Projections for farm income for this year are dramatically worse than last. A cut of over $1 billion in net farm income is projected for this year. In Saskatchewan net farm income is projected to fall 40 per cent from 1992 levels to an average of less than $4,000 per farm family.

Next Tuesday eight farm organizations from across Saskatchewan will make presentations to a televised hearing of the Standing Committee on Agriculture to outline the desperate situation facing farm families in that province.

I call on the government to recognize the failure of its policies and programs and provide more assistance on an urgent basis so that these farmers can survive and stay on their land.

* * *

SMALL BUSINESS

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, as a small business person in my private life, I rise to laud the initiative shown by the Bank of Nova Scotia on the small business lending front.

Scotiabank appears to want to lead by example. The bank has demonstrated a much needed aggressiveness in the area that is so important to our economic prosperity. Our small businesses must have access to start-up cash and loan capital to grow and expand.

This initiative carries with it an important message to the federal government, which is that a lot can be accomplished under new management and a fresh, renewed approach.

Sweeping changes to the Small Businesses Loans Act have kick-started the process, but let us not stop there. Others are needed to revitalize this sector. Let us have our departments root out and address our existing inhibitors. These are regulations, policies or practices which actually constrain the growth of our small business community.

• (1415)

Initiatives such as the changes to the SBLA and those of Scotiabank have set the stage. I insist that now is the opportune and appropriate time for us to press forward.

* * *

PEACEKEEPING

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, in the midst of the human tragedy we know as Bosnia-Hercegovina emerge remarkable heroes, men and women from many nations. First there are Canadian peacekeeping forces. Some 1,200 Canadian troops and 45 RCMP monitors are putting their lives on the line every day. We must not forget the family members of our forces here at home. They feel the risks more than anyone.

Just today British helicopters airlifted two Canadians wounded during the massive effort to save the town of Srebrenica.

We have French General Philippe Morillon who took over as the top UN commander from our own General Lewis Mackenzie. He is making a heroic stand to save the 60,000 civilians of that town.

We must not forget Larry Hollingsworth, a former British army officer who is now serving with the UN High Commissioner for Refugees. He arrived in Bosnia directly from Somalia last July.

I call on all members of the House to recognize these brave, unsung heroes today.

Some hon. members: Hear, hear.

* * *

TRADE

Mr. Bob Horner (Mississauga West): Mr. Speaker, I would like to draw your attention to a benefit of the free trade agreement of which many Canadian companies should be made aware.

I cite the case of Gray Tools of Brampton, Ontario. After the free trade agreement this old, family-owned Canadian firm was allowed to join a U.S. trade association, the American Supply Machinery Manufacturers Association. It formerly excluded Canadians and hosts one of the most important trade shows in the North American industry.

As a result of its first trade show last year, Gray Tools picked up 17 new customers. The new contacts and exposure it has gained have boosted U.S. sales to 40 per cent of total sales from just 25 per cent in 1988.

Aleck Gray, president of the company said: "As far as our exports are concerned the free trade agreement is only positive. While our Canadian sales were lagging through the recent recession, our U.S. sales were roaring along".

Now that is good news for the firm's several hundred employees.

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of Finance. Last night, in a speech to a gathering in Toronto the Minister of the Environment said that Canadians are concerned about the school dropout problem, the unemployment rate which is too high and the increase in poverty. The minister added that young people's problems are due to a sick economy, not the school system.

Does the Minister of Finance agree with his colleague that the economy is sick and that it is hurting young people? Will he correct this situation in the next budget by creating new programs specifically addressing youth?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of the Environment never made such a statement about the economy being sick. He pointed out some problems that exist, but indicated the major efforts made by the Minister of Finance and the government that have given us the lowest interest rates in 21 years, the lowest inflation in 30 years, the lowest mortgage rates in 35 years and a growth rate—

An hon. member: What about unemployment?

Mr. Mulroney: Yes, a lower unemployment rate than when you Liberals were in power. That is the reality. That is what the Minister of the Environment said and we are ready to wage an election campaign on our economic record in due course.

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Prime Minister may be able to control what some of the leadership candidates say but in this case I would like to read to him directly from an article in *The Toronto Star* today. His colleague says he finds it "objectionable that people blame schools for the high drop-out rate". He said many students are dropping out not because of poor schooling but because they feel the faltering economy no longer assures youth they can land jobs after graduating.

• (1420)

I want to ask the Prime Minister, since he has entered the debate, does he agree with the assessment of his colleague that the faltering economy is causing young people to lose hope in this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is a far cry from a faltering economy, a far cry from what my hon. friend said in French in her opening question where she imputed something absolutely false to the Minister of the Environment, which he never said.

Some hon. members: Withdraw.

Mr. Mulroney: If there is going to be a withdrawal I hope it would be the member for Hamilton East withdrawing something she imputed to the Minister of the Environment which he never said.

Some hon. members: Oh, oh.

Mr. Mulroney: Obviously what Canada and the industrialized countries have gone through in the last two years has not been helpful to our young people seeking employment. We regret that very much. The situation that prevails in France, Germany, England and the United States has taken a toll on all citizens, including the youth. Unfortunately Canada has not been an exception to that.

My hon. friend, the Minister of the Environment, was quite properly pointing out that a faltering economy in Canada, or the United Kingdom, or France or the United States takes a toll on the young. We have to make sure this is not repeated. That is why we are trying to control government expenditures. That is why we are trying to limit the rise in deficits and debt which have brought about the lowest inflation rates in 30 years, the lowest mortgage rates in 35 years and the highest growth and employment growth rates of the IMF and OECD countries in 1993-94.

Mr. Axworthy (Winnipeg South Centre): Nobody has a job.

Mr. Mulroney: I will conclude with this. My hon. friend from Winnipeg says: "No one has a job". He is right that too many people are out of work but it is less in percentage terms than were out of work when my hon. friend and the Liberals were in office.

Mr. Axworthy (Winnipeg South Centre): We had programs for them. You do not and that is the difference. We put them back to work.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary question is for the Prime Minister.

The Prime Minister has already fired one leadership candidate whose opinion he did not agree with on the helicopters. I would like to ask him very specifically: Does he agree with the position taken by his colleague in Toronto that it is the sick economy that is causing young people to drop out of school and not the education system? Does he support that statement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, how could I support the statement when my hon. friend the Minister of the Environment never made it? This is the unique and delicious interpretation of the member for Hamilton East of what the Minister of the Environment said and it is extremely dangerous for anybody.

We all learn things around here. What we all learn in all parties is never to accept the interpretation of the member for Hamilton East for anything we are alleged to have said.

An hon. member: That is right. Lesson number one.

Mr. Mulroney My hon. friend says remember what your leader said. Brian, remember what your leader said: "Do not be a nervous nelly".

Mr. Tobin: Bye, bye, Brian.

Mr. Mulroney: My hon. friend from Newfoundland says: "Bye, bye, Brian". You are right and I say to you, bye, bye, Brian.

Oral Questions

YOUTH EMPLOYMENT

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the Minister of State for Youth.

There are many nervous young people out there who cannot find jobs. I want to say to the Minister of State for Youth that since 1989 the number of Canadians who have never held a first-time job has increased by 51 per cent, from 367,000 to 556,000. Over 500,000 young Canadians are looking for a first-time job and cannot find it.

When will the minister come forward with specific job creation programs to put these young Canadians to work?

• (1425)

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, as you will recall, we had the occasion last week to debate this issue following a motion by my hon. friend. Obviously he did not listen to the debate and what we had to say.

We have explained the numerous initiatives taken by the government, notwithstanding the attempts by the opposition to try and stop the legislation that we tried to put in place in order to control the debt, put the economy back in shape so that our young people in Canada, our future, can have all the opportunities they deserve.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, the minister is still talking about inaction. We are near the end of the school year and the minister knows that hundreds of thousands of young Canadians are looking for summer jobs to be able to continue their education. At the same time the government has cut in half funding for summer employment initiatives from $205 million in 1985 to only $101 million today.

Why is the minister, at a time of such great need, cutting this funding in half?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Again, Mr. Speaker, my hon. friend either refuses to admit facts or tries to play partisan politics.

The program for summer employment for this summer has been increased by $5.1 million.

* * *

[*Translation*]

THE ECONOMY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Finance. It is increasingly obvious that the reason the government is unable to reduce the deficit and the debt is its own policies. It lacks something fundamental: low unemployment.

When will the government decide to do what it must to change its policies in order to achieve what is essential for any economic recovery: low unemployment?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is not really following the progress that has been made on the expenditure reduction track.

When the government came into office we had experienced 15 years of annual program expenditure increases of about 14 per cent. We have brought that down to a level of around 4 per cent, or less than the rate of inflation. Putting it another way, when we came into office the government of the day was spending $1.33 for every dollar's worth of revenue that was taken in. Obviously that could not be sustained.

The hon. member should look at what we have done. We have shaved some $118 billion worth of expenditures. Had we not taken that action, instead of having a $34 billion deficit today, we would have had an $82.5 billion deficit.

In conclusion, I must say—

Some hon. members: Oh, oh.

Mr. Mazankowski: Yes, Mr. Speaker, if we had not taken the action, if we had gone merrily on our way, spending in the old Liberal and NDP tradition, we would have had a deficit of $82.5 billion today.

Mr. Fontana: What kind of arithmetic is that?

Mr. Mazankowski: I say to the hon. member that the initiatives we took—

An hon. member: There are a lot of nervous nellies over there.

Mr. Mazankowski: Mr. Speaker, I remind the House and the people of Canada the initiatives we took with respect to expenditure reduction were opposed every single solitary time by members opposite.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, in fact there are many studies to indicate—I have one here by Informetrica, one by Wood Gundy, one by WEFA—it is the government's own monetary policies that have reduced the number of jobs in the economy, that have reduced the amount of revenue to be raised in this economy. If the government had different monetary policies we would not have had the debt and deficit we have.

For example, I would cite a quotation from Wood Gundy which says that the government's single-minded pursuit of inflation has "already blown the government's revenue projections off this year by $8 million".

My question to the minister is this. Will he abandon the failed ways of the last nine years and bring in a budget which addresses the fundamentals of reducing unemployment and getting this country really back on track?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, what the hon. member is proposing is a Bob Rae solution to the economy. I would rather take a Roy Romanow solution.

• (1430)

Hon. Audrey McLaughlin (Yukon): I have a supplementary question, Mr. Speaker. Once again the federal government finds it impossible to defend its own policies.

I want to point out something that happened yesterday. I think this is really what it is all about. There were 3,000 people lined up for three days in Edmonton for 700 part-time jobs. Surely the government must see that it bears some responsibility for this. Its own policies have contributed to this situation of unemployment.

Just two days ago the Dominion Bond Rating Service said that the main reasons for provincial shortfalls had to do with federal caps on transfer payments, the recession, and the decline in manufacturing jobs.

If the Minister of Finance is really serious about provincial debt and unemployment will he make sure his government stops reducing transfer payments, stops making trade deals that cause unemployment, and brings in a budget that puts people back to work?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, there are 12,328,000 Canadians who are working in Canada today. That is up from 11 million when we assumed office. There have been well in excess of 1.3 million new jobs created. As a matter of fact—

Some hon. members: Oh, oh.

Mr. Mazankowski: They say it is not enough. I agree, but it is still the best job creation record within the G-7 over the last 10 years.

An hon. member: It is the highest unemployment rate of the G-7.

Mr. Mazankowski: The hon. member asks: "Why don't you do something to create jobs?" Since she is speaking about Alberta the hon. member might want to know that since 1987, 80 per cent of the new jobs created in Alberta have been created in the newly emerging economies, those new industries related quite directly to the new economies such as high information-based technology, telecommunications, the communications sector, and primarily exports to the United States.

The New Democratic Party is opposed to the free trade agreement.

Some hon. members: Hear, hear.

Mr. Mazankowski: Go out and try to sell that to Albertans, because exports to the United States have increased by 48 per cent since the free trade agreement was put into place.

An hon. member: Albertans aren't the only people in the world.

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, yesterday President Clinton pledged that he would not introduce the NAFTA legislation until the agreement is made tougher in the areas of the environment and of labour, something the opposition has been advocating all along.

However, the Minister for International Trade stated yesterday that environmental and labour issues "should not be at the core of a free trade agreement".

Is it the policy of this government that the environment and labour questions should instead be peripheral? Or, does the minister agree with President Clinton and indeed with the Official Opposition that the environment and labour side agreements should be utilized to improve significantly the agreement itself?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): I am surprised, Mr. Speaker, that my hon. friend has tried to distort what I said yesterday.

The point I was making yesterday, and I will be quite clear, is that the trade remedy laws are at the core of a free trade agreement. The environmental and labour issues the U.S. administration is trying to address, and we have been trying to address since I raised this at the meeting in Montreal in February of last year, are parallel agreements to the free trade agreement that are not a central part of the agreement itself.

Both Mr. Clinton's objectives and the objectives of Canada are of the same nature: not to address the core nature of the agreement but to improve some of the elements surrounding the agreement in relation to the environment and labour.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the situation is now becoming clearer. The President of the United States says that these two matters, environment and labour, are so central to the NAFTA that he will not even take the legislation forward without agreement on those side accords.

What is the Canadian government's position: central or peripheral? The government is introducing the legislation tomorrow.

• (1435)

Let me ask the minister this question. The President of the United States said yesterday that NAFTA is not simply a trade agreement. It is an investment agreement. He added: "the investment provisions of NAFTA will be needed to be used in ways that will raise wages" referring to Mexico and the United States.

Could the minister explain from the recent talks among Canada, the United States and Mexico what the U.S. administration means by changing the way the investment provisions will be interpreted with regard to Mexico and the United States, and does Canada support such modifications and changes?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I am happy to give my hon. friend a full briefing on this matter, but the side agreements on labour and on the environment do not change in any way the investment provisions of the NAFTA. Those provisions of the NAFTA stand.

What the United States, what Canada and what Mexico are interested in is precisely the same. We want to see economic activity in all three countries increase and that is going to be a primary result of the North American free trade agreement.

For my hon. friend—I cannot understand why he is saying this—to say that the environmental agreements are central to a trade agreement is simply not true. It is not accurate. It does not bear any resemblance to reality.

* * *

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Minister of Fisheries and Oceans who so far, unfortunately, has nothing to show for his efforts to reach an agreement with France on the cod quotas. He will know that St. Pierre fishermen have made no bones about their intention to get a bigger piece of the action. He will also know that France now wants to send the quota issue to another international tribunal.

If France refuses to back away from that particular stand to send it to a tribunal, what is the minister then prepared to do to end the stand-off with respect to the cod quotas so that the Grand Banks based scallop fishery can resume?

Mr. Speaker: Just a moment. The question is hypothetical. The minister may want to deal with it.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, most of the questions raised in this House are hypothetical, but they still have to be dealt with so I would like to deal with this one.

With respect to the hon. member's latest hypothetical question, the position is that Canada made a generous offer to France in accordance with our obligations under the 1972 treaty entered into by—I will not even mention the name of the government—a Liberal government.

Under the terms of that arrangement we had to offer to France the opportunity to catch fish within our waters, but Canada has the right to determine what amount it should be permitted to catch based on conservation and the like.

Despite our difficulties we did make a generous offer to France which was not accepted after a number of meetings so any next move is up to France. We cannot go any further. We are not going to go any further when our own fishermen are in desperate straits as a result of a decline in the resource.

With respect to the suggestion by France that this issue should go to arbitration under the terms of the 1972 agreement, our position is clear. We will not put that kind of an issue to arbitration. We are sovereign in our own waters and the question of what amount of fish should be taken by anybody within our own 200-mile economic zone is for Canada and Canada alone to decide. We will never agree to go to arbitration on that issue.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I suppose hypothetically with that kind of leadership and a nice blond wig he should run for leader.

This scallop fishery has been at a standstill down there since last summer. The minister has been quoted in the press the last few days as saying that he is optimistic, that after the French elections this weekend are out of the way we can expect a resolution forthcoming and fairly quick.

What is in store for that scallop fishery in the event that his latest bit of optimism is not well founded? What is his plan *b*?

• (1440)

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I am under very heavy pressure these days and that is why I am somewhat nervous. If I could speak two or three consecutive sentences in French I would be already in the race and well on the way to winning, I can assure you of that.

Some hon. members: Oh, oh.

Mr. Speaker: That might well be hypothetical.

Some hon. members: Hear, hear.

Mr. Crosbie: *Oui, monsieur le Président*, we do have a serious problem with the fishery for Icelandic scallops in the area because the most prospective areas are on the St. Pierre bank controlled by France.

There will be no settlement with France unless we have proper access to those scallops, as the hon. gentleman knows. I am hoping when the election is over in France that we will have some progress in that direction.

* * *

TRADE

Mr. Rod Murphy (Churchill): Mr. Speaker, the minister's answer probably makes many Canadians very happy that this is an officially bilingual country. My question is for the Minister for International Trade.

Mr. McDermid: Explain yourself.

Mr. Murphy: The government intends to introduce the trade bill for second reading tomorrow for a partial day's debate and to close off debate at second reading after one more day next week.

I ask the minister: How can the government be so outrageous as to limit debate to less than two days on an issue that is so important to so many Canadians?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend might ask himself that question because I believe for two weeks now we have been trying to get this bill into the House, and we have been obstructed at every turn in the road by the New Democratic Party.

Mr. Barrett: You used closure.

Mr. Wilson (Etobicoke Centre): In addition to that we have been holding public hearings on the NAFTA starting in late November right through till last month. We have been in nine cities and met with 120 different groups of people presenting their views both pro and con the agreement. It is on that basis we believe it is time we get this bill into the House and into committee where people can study the specific elements of the agreement and get by the posturing of the New Democratic Party.

Mr. Rod Murphy (Churchill): Mr. Speaker, most of those 120 groups that had a chance to participate were limited to five or ten minute presentations and he knows that. The government also made it very clear that the committee's role was going to be very limited and very short-lived. Of course the New Democratic caucus said no to that.

My supplementary question is: How can this government accept any responsibility of decent democracy? How can it say that, if it is going to limit debate on an issue of this importance to less than two days?

What is the purpose of parliamentary democracy if we are not allowed to speak for a reasonable amount of time on an issue that is so important to so many Canadians and to so many Canadian communities?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as my seat-mate, the Minister for International Trade, has pointed out, a committee that has been looking at the NAFTA deal since last November toured the country. I have made offers to the House leadership of the New Democratic Party and the Liberal Party to have the whole deal referred to a committee a couple of weeks ago so that it could study—

Mr. Barrett: Tell the truth. You used closure. We were lied to in that committee.

Mr. Speaker: I may not have heard what I think I heard, but I do not want to hear it again. The hon. minister has the floor.

Mr. Andre: In fact I made an offer to—

Mr. Barrett: We were lied to in that committee. You tell the truth.

An hon. member: You were not around, Dave. You were in Mexico.

Some hon. members: Out, out.

Mr. Speaker: I am sure the hon. member who has a great deal of experience, not just in this House but also in the legislature of our province which we care for very much, would know that he has gone too far.

• (1445)

I know he feels very strongly about this and that is why, of course, we have debate. I would ask the hon. member to withdraw the allegation.

Mr. Barrett: Mr. Speaker, I refuse to withdraw that the government lied to us and to me about that—

Some hon. members: Hear, hear.

Mr. Speaker: I might ask the hon. leader of the New Democratic Party whether that position is the position of her party in the House today.

Mr. Barrett: I speak for myself. I do not speak for my party. We were lied to.

Mr. Speaker: Perhaps the hon. member could remain in his seat and we will discuss this at the end of Question Period.

* * *

CROW BENEFIT

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is for the Deputy Prime Minister who met with the premier of Alberta last week.

There are reports that the federal government is making a move toward a change in the method of paying the Crow benefit. This comes after many consultations involving senior levels of government and farm organizations.

By the way, those consultations did not produce a consensus on how to proceed, if at all, on this issue. Now, however, there are indications that the federal government is prepared to bring in legislation.

My question for the Deputy Prime Minister is this. Are we to assume that all the major stakeholders involved have agreed to the changes and, if not, why is the government proceeding without a crucial consensus?

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, it is no secret that this has been a topic of discussion for a number of years, probably going back at least 15 years. We presently have discussions under way with all of the provinces. Many of the people involved are trying to reach a national consensus around an over-all payment through a NISA type approach.

We said in Alberta on Friday that we would continue with that type of approach in order to try and reach a national consensus and if we could not, we would be prepared to proceed on the basis of a solution that would identify and try to take into consideration as many of the provincial priorities as we possibly can.

We also put a date on it to be effective August 1, 1994. Obviously the discussions will continue with everybody involved to try to reach a consensus. That includes as many of the provincial and the individual concerns as we possibly can.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, so there is no agreement.

My supplementary question is for the same minister. As the minister well knows, the Crow benefit, regardless of how it is paid out, is important to all prairie farmers. Farmers want to know whether any possible change to the method of payment would affect the level of support. That is crucial.

Will the minister indicate to the House now that he has given assurances to farmers that the level of freight assistance under any proposal under consideration will not be diminished, that the level of support will not be diminished?

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, the discussions are continuing on the basis of a certain amount of money being available identified as the Crow benefit.

If we were having this discussion prior to December 2 last year, the number would have been $720 million. Since then we have had a financial statement that reduced grants and contributions by 10 per cent.

Obviously those considerations will have to be taken into account no matter what kind of a solution is arrived at. On the basis of the financial condition of the government at the time, that will determine the amount of money that is available.

• (1450)

[*Translation*]

AIRLINE INDUSTRY

Mr. John Manley (Ottawa South): Mr. Speaker, my question is directed to the Minister of Transport. Since the minister admitted yesterday that he has no plan for the airline industry, will he acknowledge that his government's policies have substantially contributed to the serious problems facing this industry and that now he does not have the guts to announce a genuine stabilization plan for an industry that is so important to Canada's economy?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, it would seem that, based on his behaviour, the hon. member for Ottawa South is not one of the nervous nellies, but I think he is being less than forthright when he tells Canadians that I admitted yesterday we did not have a plan. I told the hon. member yesterday that the directors of both airlines had officially stated that in their view the only way to remedy their financial situation was to eliminate overcapacity, that they were in a position to do that themselves and that we would intervene only if they refused to act responsibly.

[*English*]

Mr. John Manley (Ottawa South): Mr. Speaker, after months of tough talk about how he was going to recalibrate the regulatory framework, in his words, of the airline industry, yesterday the minister said that the airlines can address the problems themselves. That was the day after a major carrier had to seek bankruptcy protection from its creditors.

Does the minister have some secret plan stashed away somewhere to deal with the problems in the airline industry or can he not see that the national duopoly that exists right now is inherently unstable and will continue to be so?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I have said repeatedly and I will repeat again today that the airline industry knows what the problems are. It has all the means to do it. We are giving it the time to impose self-discipline. If it does not we will come up with a recalibration process.

Oral Questions

CROW BENEFIT

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is for the Deputy Prime Minister.

On March 12 in this House I asked the Minister of Transport if it was the government's intention to pay the Crow benefit to producers as recommended by the National Transportation Act Review Commission and I was told that it was not.

In light of the agreement that the Deputy Prime Minister reached with the premier of Alberta on Friday where he said in part that the federal government will proceed with enabling legislation which will provide for a national solution, et cetera, to that very issue, is it now the government's policy to do away with the Crow benefit and pay it to the producer?

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, the hon. member is mixing metaphors. There is a difference between doing away with it and paying it to the producer. I think most producers would want to see the benefit maintained. How it is paid I guess is a question for discussion.

We get this all the time from producers. They say: "If we cannot increase the price of grain, help us reduce our over-all costs". The member should know as a farmer that transportation costs from an elevator beside his farm to a hold in a boat costs about $60 a tonne. In the case of wheat that is over $1.50 a bushel. What we are doing is looking at over-all costs, the Crow benefit being one of them, to see if we can do it in a way that reduces farmers' costs and help them stay in business.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, the Minister of Transport said there had been no policy decision made on that. We did not get a clear message from the Minister of Agriculture, but we do have a signed statement that was issued as a result of the meeting between the Deputy Prime Minister and the premier of Alberta which seems to make it fairly clear that the government policy has changed. It has made up its mind.

I want to know if the policy which said that this decision would not become final until all of the provinces had agreed has now been abandoned as well. Is the government going to make agreements with one province at a time and get to the solution that way?

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, let me read the full paragraph that the member started: "The federal government will proceed with enabling legislation which will provide for a national solution which can include provincial variations in design and delivery of the program".

• (1455)

Clearly what we as a federal government are trying to do is to take as many of the provinces' concerns as we can into account, get everybody to the table to seek an over-all solution and when the solution emerges hopefully to have as many of the individual concerns addressed as we possibly can. That is in the best interests of everybody. We want to make sure that the money that is put up by federal taxpayers is used in the best possible way to keep producers' costs down.

As a farmer who is a long way from any ports, either Vancouver, Thunder Bay, Churchill or Prince Rupert, he should be in favour of that.

* * *

[*Translation*]

THE DEFICIT

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is directed to the Minister of Finance.

In its February 1992 budget the government predicted a deficit of $27.5 billion. Last December, the Minister of Finance acknowledged his failure to keep the deficit at the level predicted and that the deficit would exceed $34 billion. Considering current tax revenues, many observers are saying that the minister will be unable to keep the deficit below the $35 billion limit he had announced.

Could the minister give the House the assurance today that for once his predictions will be accurate and that the deficit will not exceed the level anticipated last December?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I covered that in the December statement when I indicated that the December statement was necessitated by a dramatic fall-off in revenues as a result of slower than projected growth. We projected growth in the February budget of 2.7 per cent and that forecast was shared almost unanimously by all forecasts of independent analysts.

Unfortunately world growth was a lot slower than that and as a result we had growth of something in the range of 1 per cent. As a result there was the fall-off in revenue of some $8 billion or more and that will project into the upcoming year as well.

It was for that reason I issued the statement in December. The budget that I am putting together now will be based upon the December statement as well as many of the initiatives that we undertook and advanced in the February 1992 budget.

[*Translation*]

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, this kind of verbal manoeuvring will not sound reassuring to the financial markets and is an even better indication of the reasons for the government's reluctance to bring down a budget that will reveal the extent of the damage.

The provinces were the first to suffer because of the government's failure to act. For the past eight years they have lost nearly $10 billion to cuts in transfer payments.

I want to ask the minister whether he can give the House the assurance that in the next budget he will not further aggravate the serious financial problems of the provinces by offloading an additional fiscal burden.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, contrary to what the hon. member has just said, and this is a very important point, there have been no cuts in transfer payments to the provinces. These payments have been increased by an average 6 per cent annually for the past nine years, and meanwhile, we are keeping government expenditures at 4 per cent below the rate of inflation. I know of one instance where restrictions and cuts were introduced unexpectedly and where this led to the rejection of collective agreements previously signed on behalf of public servants. This happened in 1981-82, at the behest of the Government of Quebec, and I believe the hon. member was one of the players in this sequence of events.

[*English*]

CORRECTIONAL SERVICES CANADA

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Solicitor General and refers to the facility for federally sentenced women in Truro, Nova Scotia.

Correctional Services Canada has been negotiating with the provinces of Nova Scotia, New Brunswick and P.E.I. to have them join in the project because they do not have facilities for their sentenced women.

Have we offered the provinces the best deal and are we making any progress toward accomplishing the goal?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I welcome my hon. friend's continuing interest in this facility.

Yes, we are discussing the matter with the provinces but whether we have offered them the best deal, I would not want to comment on that.

We want to provide facilities for women and we are perfectly willing to accommodate provincially sentenced women within the facility if it makes sense for both sides.

* * *

• (1500)

EDUCATION

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Secretary of State.

For several months now the government has been considering reforms to the student loans program. As we approach the end of another university year, students across Canada are concerned about the changes which may be coming about, for example, whether loan limits will be enhanced to recognize cost increases that have occurred since they were established in 1984, whether part-time loans to part-time students will be available perhaps on a matching basis, whether there will be provisions for interest relief in the event of unemployment and whether or not the 3 per cent administration charge will be eliminated.

The students of Canada need answers to these questions. Will the minister advise us when the reforms from the student loans program reconsideration will be announced?

Hon. Monique Landry (Secretary of State of Canada): Mr. Speaker, I know the importance of the student loans program not only to my colleagues in the House but mainly to the 250,000 students who are receiving assistance on a yearly basis.

I want to assure my colleague that the government is committed to reforming the Canada Student Loans Program to do exactly what he is asking for, enhancing aid to needy students, but at the same time reducing the costs. That is why we have been discussing new financial arrangements with lenders based on risk-sharing as announced in the budget.

I am sure that with the consultations we have had with the different groups, the provinces and the students the program will go on to respond to the needs of those students very soon.

* * *

HEALTH

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Prime Minister.

Witness after witness before the subcommittee on health issues has asked for a public inquiry into the tainted blood tragedy.

Does this not finally convince the minister that today is the day to call for a public inquiry? With over 1,000 Canadians dead or dying, why does this government persist in saying they do not have the basic right to know? Why?

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I thank my colleague for his question.

HIV tainted blood has been a major issue for all of us. We have worked very closely with the haemophiliac society and realize the difficulties that they have been suffering.

We provided some compensation to those people and while it might not be enough it offered them some compensation.

My colleague from Delta, B.C. is chairing the subcommittee on health and welfare which is hearing these witnesses. We look forward to the committee's recommendations which will answer his particular questions.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of the Hon. Ed Tchorzewski, Deputy Premier of Saskatchewan and Minister Responsible for Intergovernmental Affairs.

Some hon. members: Hear, hear.

* * *

MEMBERS

Mr. Speaker: I wonder if I could return to the matter that engaged us for a moment or two during Question Period. I asked the hon. member for Esquimalt—Juan de Fuca to remain in the Chamber and I see that he has done so.

I think all of us who are in public life know that there are times when we feel very strongly about issues. That is a good thing, because as I have said many times, this is not a tea party and the long history of this place is that the men and women who vote in our country and in the country from which our institutions came have insisted on sending strong-minded and idealistic people to the House of Commons. We all understand that.

The dispute that took place a few minutes ago no doubt stems from strong-minded views on both sides of the House.

The difficulty is that one could make light of this. I sometimes have said to the many groups of students that come to the House of Commons that the distance between both sides of the Chamber has at least been considered to be two sword lengths. It is an adversarial system, and for better or for worse, we who have inherited it and adjusted it to our own needs have nonetheless maintained it. Because we believe as we do in our court system, the adversarial system is probably as competent a way of getting at the truth and the facts as has been developed by any civilized people anywhere. It is not the only way and it is obviously not perfect but that is what it is.

• (1505)

However, it only works if we respect the traditions of this place and the rules we have set for ourselves. It means that conduct in the Chamber has to have some restraints upon it.

I take nothing away, as I said at the beginning of these brief remarks, on how strongly we may feel about things. As your Speaker of course I am all sweetness and light, and kindness and gentleness, and I am not supposed to have a single thought in my head. Perhaps some of you will remember that there were times when I was sitting there that I may have provoked some anguish on the part of a Speaker myself. Most of us have probably been in that position at one time or another.

The point is that the institution and our country has to take precedence over our own anger or our own convictions when it comes to remarks in this place. I have never said that there had to be some kind of antiseptic, absolute order in a place like this. There never has been and I doubt there ever will be unless we just send zombies here. But there has to be reasonable order. When I say reasonable order I say that because without it there is no free speech and that is the fundamental that this place is all about: the right to speak.

Some hon. members: Hear, hear.

Mr. Speaker: If we do not abide by the rules that we set for ourselves, that right to speak will be lost.

The hon. member for Esquimalt—Juan de Fuca is well and honourably known to me. When I say well-known that implies many things. I know the hon. member very well. I also know his passion, his convictions and his principles. Along with most decent-minded people in British Columbia, I admire that. I also know that he has had a great deal of parliamentary experience, not just in this place but as premier of my province in the legislature of British Columbia. His contribution to public life has been extensive and no doubt will continue to be.

Now that is as far as I can go in this disputatious place. I think I heard some hon. member say a moment ago: "Just a minute, Mr. Speaker, you are going to get him re-elected". That of course is not my purpose.

My purpose is to ask him upon consideration if he could, in the interests of this place and of our traditions, just very quietly say that he withdraws his offensive words and then perhaps we could end that part of the issue. The issue to which he takes such umbrage continues and there are other places to debate it.

• (1510)

I wonder if the hon. member could assist the Speaker. The hon. member for Esquimalt—Juan de Fuca.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, it is true that I have had a great deal of experience, all of it positive. I have had a great many wounds, most of them self-inflicted. But, Mr. Speaker, I am not talking here about a difference in debate; I am talking about a matter of fact. There is a passionate difference in debate between myself and the government on this issue. Mr. Speaker—

Some hon. members: Oh, oh.

Mr. Speaker: I have asked the hon. member to make his remarks, and I hope that they will be of assistance to the Chair. I want to hear his words. He may have said something which I may not have heard because of comments in the House. The hon. member.

Mr. Barrett: Mr. Speaker, the rare thing in this experience of being in public life is not being told the truth. In the presence of the member for Etobicoke North I was told that that committee would be travelling to Mexico and the United States to further expand questions that we had about the nature of it. Mr. Speaker, I was lied to. That is what I referred to—

Mr. Speaker: Just a minute. It may be that things were said. Whether they were said with the intention to mislead, which is what is necessary in order to amount to a lie, is a matter of opinion. But we cannot use those words here. I am going to ask that the hon. member consider perhaps for a few hours his position, and I hope that he will find it appropriate to withdraw.

The right hon. the Prime Minister.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I wonder if I might, as a statesman on his way out, make a comment that my hon. friend might reflect upon.

The Speaker in his very eloquent comments asked the member to withdraw his remarks. Mr. Speaker, if you spoke like that about me I would be ready to withdraw my resignation.

May I just make a suggestion to my hon. friend. I am not aware of the to and fro but may I just point out, out of respect for someone who has emerged as one of the most remarkable and successful Speakers in modern history, and given the point of view expressed by Mr. Speaker, why does my hon. friend, as a statement of respect for the Speaker and for the House not simply withdraw the remarks and we will get on to other things?

Mr. Barrett: I have profound respect for the Chair and for this Speaker in particular. There is no finer son of British Columbia, if that is what is being measured, than the hon. gentleman who now sits in the Chair of this House. This is not a dispute with the Chair. This is not a dispute with the rules of the House. This is not a dispute with the Chamber that I love and the British parliamentary system. It is simply a matter of fact, Mr. Speaker, that I cannot change. I have been lied to. And no number of hours will change that.

Some hon. members: Withdraw.

Mr. Speaker: I have asked the hon. member to reconsider his position and I have to take it that he has considered his position and is not going to change it.

This is regrettable, I think. But under the rules which we have set for ourselves, this is a situation in which I think now, and the right hon. the Prime Minister has probably spoken for most of the members in this place, we have tried to urge our colleague to withdraw but he is not going to do so. The only sanction that the Chair has, I think under these circumstances, is regrettably to name the hon. member.

• (1515)

Mr. Barrett, I have to name you for disregarding the authority of the Chair. Pursuant to the authority granted to me by Standing Order 11, I order you to withdraw from the House for the remainder of this day's sitting.

[*Editor's Note: And Mr. Barrett having withdrawn:*]

* * *

POINTS OF ORDER

DECORUM

Mr. Maurice A. Dionne (Miramichi): Madam Speaker, I rise on a point of order. In crossing from the other side to my seat—

An hon. member: A point of order.

Madam Deputy Speaker: I have no idea who is apparently screaming at someone, but I cannot hear two points of order at the same time. I have already recognized one of your colleagues, if I may. The hon. member for Miramichi has the floor.

Mr. Dionne: Madam Speaker, in crossing from the other side of the Chamber to this side I inadvertently crossed in front of the Speaker. I simply want to apologize.

ORAL QUESTION PERIOD

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I rise on a point of order. I would simply like to raise for the consideration of the Chair what I consider to be the inappropriateness of what happened from the Chair during the course of Question Period.

In a way that I have never seen in my years here, and as far as I am concerned it has probably never happened before, the Chair saw fit to ask a leader of a particular party to rise in Question Period to state a position with respect to something that a member had said from the leader's party.

This was totally inappropriate behaviour as far as I am concerned on the part of the Chair. I would ask that the Chair and the Clerk consider the appropriateness of this behaviour. I look forward to an apology for the inappropriateness of that behaviour.

Madam Deputy Speaker: I have listened very carefully to the hon. member. I am sure the point he has raised will be discussed in chambers and will be brought back to the House if it is considered necessary.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, pursuant to Standing Order 83(1) I wish to table a notice of ways and means motion to amend the Income Tax Act, and I ask that an Order of the Day be designated for consideration of the motion.

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of National Defence): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 13 petitions.

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

* * *

[*English*]

PUBLIC WORKS

ST. JEAN-SUR-RICHELIEU AIRPORT

Hon. Elmer M. MacKay (Minister of Public Works): Madam Speaker, on March 11 I gave the House an undertaking to obtain all relevant background documentation from my department regarding the disposal of certain properties around the airport at St. Jean-sur-Richelieu, Quebec.

I have now been provided with that information and under Standing Order 32(2) I wish to table it for the information of members.

* * *

BILL C-72

REPORT OF LEGISLATIVE COMMITTEE

Mr. Ken Hughes (Macleod): Madam Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-72, an act to establish the National Round Table on the Environment and the Economy with amendments.

* * *

• (1520)

[*Translation*]

HOUSE MANAGEMENT

TABLING OF 77TH, 78TH AND 79TH REPORTS OF STANDING COMMITTEE

Mr. Jim Edwards (Edmonton Southwest): Madam Speaker, I have the honour to present the 77th, 78th and 79th reports of the Standing Committee on House Management, regarding the list of members who will sit on the legislative committees on Bills S-17, C-301 and C-106.

Pursuant to Standing Order 113(1), these reports are deemed adopted when laid upon the table.

* * *

[*English*]

FINANCE

18TH REPORT OF STANDING COMMITTEE

Mr. Murray W. Dorin (Edmonton Northwest): Madam Speaker, I have the honour to present, in both official languages, the 18th report of the Standing Committee on Finance concerning Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related acts.

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

* * *

PETITIONS

CROATIA

Mr. Bob Horner (Mississauga West): Madam Speaker, it is my duty, honour and privilege to present a petition signed by hundreds, probably thousands, of Canadians of Croatian descent.

They ask that the Government of Canada consider recognition of the Republic of Croatia in view of the fact that the democratically elected government of the Republic of Croatia has complied with conditions of resolution 743 of the United Nations Security Council.

The petition is correct as to form and content and has been certified.

VIOLENCE AGAINST WOMEN AND CHILDREN

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, pursuant to Standing Order 36, I have the privilege of presenting petitions duly signed that call upon Parliament to attend to the issue of violence against women and children. It states: "The undersigned, your petitioners, humbly pray and call upon Parliament to accept legislation designed to eliminate violence against women and children; encourage and support women to report incidents of assault or abuse; provide assistance and support for women reporting assault or abuse".

They ask that we concentrate a special effort on training of police, lawyers, court workers and judges to become knowledgeable about women and child abuse and to focus public attention on this very important and long ignored problem.

CANADIAN FORCES BASE NO. 5 SUPPLY DEPOT

Mr. George S. Rideout (Moncton): Madam Speaker, pursuant to Standing Order 36, it is my pleasure to introduce a petition with over 5,000 names questioning the decision to close the Canadian Forces Base No. 5 Supply Depot in Moncton.

The petitioners call on Parliament to reconsider this untimely decision and keep these military facilities where they have been so capably serving the troops, the militia and other bases throughout Canada and overseas for the past 52 years.

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, it is my honour and pleasure to present a petition from several residents of North York, Toronto, Brantford and Port Dover who are concerned that the North American free trade agreement has resulted in even greater trade concessions being demanded of Canada so that Canadians will lose more jobs and there will now be further restrictions placed on the provincial, federal and territorial governments and even municipal governments from assisting Canadian industry, conserving natural resources and advancing our social programs.

Therefore, these petitioners call on this House to reject the proposed North American free trade agreement and recommend to the government that it use the termination clause to end the U.S.-Canada Free Trade Agreement.

CRIMES OF VIOLENCE

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, I have many thousands of signatures on petitions here to add to the over 1.5 million signatures that have been presented by all parties in the House. These petitioners feel that there are serious deficiencies in the criminal justice system.

They ask that Parliament recognize that crimes of violence against the person are serious and abhorrent to society.

• (1525)

They ask the government to amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, it is my honour to present a petition, duly authorized under Standing Order 36, signed by people from the city of Regina and the community of Raymore, who point out that the proposed North American free trade agreement will erode Canada's ability to do many things and will also erode Canada's ability to maintain its level of employment.

They point out that if it is implemented, the trade agreement will result in further restrictions being placed on the ability of Canada's federal, provincial and territorial governments, now and in the future, to assist Canadian industry from using the natural advantages Canada has through its natural resources for Canada's own benefit. They ask that because the free trade agreement has to be implemented before January 1, 1994. They call upon the House of Commons to reject the proposed North American free trade agreement.

They also recommend that the free trade agreement with the United States be abrogated.

VIOLENCE AGAINST CHILDREN

Mr. Alex Kindy (Calgary Northeast): Madam Speaker, I have a petition of 150,000 names in my office being certified, but I have a petition of 600 names here. The petition is in memory of all children who have suffered at the hands of others.

We have formed this petition to stress our belief that the penalties in retrospect for child molesters and child murderers are far too lenient in this country. We strongly request that this petition be heard as a people's vote to reinstate capital punishment for child murderers and stiffen penalties for child molesters.

If we cannot protect our children from the people who commit these heinous crimes, then who will?

Therefore, your petitioners call upon Parliament to enact legislation against these types of offenders.

INDIAN AFFAIRS

Mr. Doug Fee (Red Deer): Madam Speaker, it is my honour to present a group of petitions to add to some earlier ones that have been certified correct according to Standing Order 36.

These petitioners recognize that treaty rights entitle Indians to preserve their traditional way of life, including hunting, fishing and gathering, but express concern that completely unregulated hunting interferes with good conservation and sound wildlife management practices.

They ask that this government conclude an agreement with Canada's treaty Indians regarding sound wildlife management practices, including restrictions on native rights to hunt, fish and gather, to personal consumption needs and prohibiting the sale for profit of wildlife meat or parts obtained by treaty rights.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of National Defence): Madam Speaker, Question No. 470 will be answered today.

[*Text*]

Question No. 470—**Mr. Proud:**

With respect to the Department of External Affairs and International Trade, (*a*) how many trade missions does the Government of Canada have abroad (*b*) where are they located (*c*) what is the cost of running each one?

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Canada has 105 diplomatic missions abroad of which 103 undertake trade-related activities. Shown below is a list of those missions and the estimated costs apportioned to their trade program. The total of these estimated costs for the 103 missions is $86.5 million.

It should be noted that mission budgets integrate all the program costs associated with the conduct of political relations, public affairs, consular assistance, immigration and social affairs, and trade promotion. In calculating the costs of trade-related activities of a mission, the salary and benefits for Canada-based and locally-engaged trade officers have been added to a prorated share of the mission's over-all budget.

Mission	Country	Trade Related Portion of Budget ($ 000)
Abidjan	Ivory Coast	372
Accra	Ghana	113
Addis Ababa	Ethiopia	122
Algiers	Algeria	964
Amman	Jordan	193
Ankara	Turkey	620
Athens	Greece	552
Baghdad	Iraq	441
Bangkok	Thailand	819
Beijing	China	1,843
Belgrade	Yugoslavia	437
Berne	Switzerland	1,015
Bogota	Colombia	735
Bonn	Germany	1,536
Brasilia	Brazil	500
Bridgetown	Barbados	255
Brussels	Belgium	2,964
Bucharest	Romania	390
Budapest	Hungary	362
Buenos Aires	Argentina	940
Cairo	Egypt	340
Canberra	Australia	429
Caracas	Venezuela	763
Colombo	Sri Lanka	111
Copenhagen	Denmark	902
Dakar	Senegal	96
Damascus	Syria	78
Dar-Es-Salaam	Tanzania	260
Dhaka	Bangladesh	174
Dublin	Ireland	512
Georgetown	Guyana	52
Guatemala	Guatemala	75
Harare	Zimbabwe	38
Havana	Cuba	536

Mission	Country	Trade Related Portion of Budget ($ 000)	Mission	Country	Trade Related Portion of Budget ($ 000)
Helsinki	Finland	792	Tel Aviv	Israel	560
Hong Kong	Hong Kong	1,412	The Hague	Netherlands	922
Islamabad	Pakistan	368	Tokyo	Japan	8,645
Jakarta	Indonesia	739	Tunis	Tunisia	506
Kiev	Ukraine	318	Vienna	Austria	658
Kingston	Jamaica	449	Warsaw	Poland	419
Kinshasa	Zaire	159	Washington	United States	2,102
Kuala Lumpur	Malaysia	858	Wellington	New Zealand	896
Kuwait	Kuwait	1,645	Windhoek	Namibia	105
Libreville	Gabon	293	Yaounde	Cameroon	288
Lima	Peru	332	Brussels (EEC)	Multilateral	37
Lisbon	Portugal	381	Brussels (NATO)	Multilateral	270
London	Britain	2,912	New York (PERM/MISS)	Multilateral	34
Lusaka	Zambia	123	Atlanta	United State	1,712
Madrid	Spain	1,234	Berlin	Germany	476
Manila	Phillipines	527	Bombay	India	118
Mexico	Mexico	1,511	Boston	United States	1,089
Moscow	Russia	1,401	Buffalo	United States	537
Nairobi	Kenya	219	Chicago	United States	1,051
New Delhi	India	711	Dallas	United States	720
Paris	France	3,522	Detroit	United States	897
Port au Prince	Haïti	214	Dusseldorf	Germany	991
Port of Spain	Trinidad	380	Los Angeles	United States	498
Prague	Czechoslovakia	558	Melbourne	Australia	474
Pretoria	South Africa	131	Milan	Italy	1,658
Rabat	Morocco	545	Minneapolis	United States	935
Riyadh	Soudia Arabia	1,137	Munich	Germany	1,050
Rome	Italy	934	New York (CON GEN)	United States	3,021
San Jose	Costa Rica	387	Osaka	Japan	1,295
Santiago	Chile	725	San Francisco	United States	1,785
Seoul	Korea	1,745	Sao Paulo	Brazil	925
Singapore	Singapore	562	Seattle	United States	785
Stockholm	Sweden	1,058			
Tehran	Iran	1,332			

Mission	Country	Trade Related Portion of Budget ($ 000)
Shanghai	China	1,069
Sydney	Australia	766
Conakry	Guinea	41
Grand Total		**86,488**

[*Translation*]

Madam Deputy Speaker: The question enumerated by the hon. parliamentary secretary has been answered.

Mr. Langlois: Madam Speaker, I would ask that the remaining questions be allowed to stand.

Madam Deputy Speaker: Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of National Defence): Madam Speaker, would you please call Notices of Motions for the Production of Papers, Nos. P-23 and P-24, standing in the name of the hon. member for Restigouche—Chaleur.

Motion No P-23—**Mr. Arseneault:**

That an Order of the House do issue for copies of all financial statements compiled over the past five years relating to the operation of the Pointe-Verte post office located in New Brunswick.

Mr. Langlois: Madam Speaker, the financial statements of a post office are data of a commercial nature which is deemed to be proprietary information by the Canada Post Corporation.

However, the present plan of the Corporation for the rural conversion program calls for an annual reduction of about $6.5 million in operating costs, based on some 200 to 250 conversions.

I therefore ask the hon. member to withdraw his motion.

Madam Deputy Speaker: Since the hon. member who tabled this motion is not in the House, would the hon. parliamentary secretary agree to allow this motion to be transferred for debate?

Mr. Langlois: Yes, Madam Speaker, I agree. We could do the same in the case of Notice of Motion P-24.

Motion transferred for debate.

Motion No. P-24—**Mr. Arseneault:**

That an Order of the House do issue for copies of all documentation, notes, memoranda, reviews, and other relevant information concerning the decision of the Canada Post Corporation on the matter of the announced closure of the Pointe-Verte post office located in New Brunswick.

Madam Deputy Speaker: The motion is transferred for debate.

Motion transferred for debate.

GOVERNMENT ORDERS

• (1530)

[*Translation*]

GOVERNMENT EXPENDITURES RESTRAINT ACT, 1993 NO. 2

MEASURE TO ENACT

Hon. Barbara McDougall (for the Minister of Finance) moved that Bill C-113, an act to provide for government expenditure restraint, be now read a third time and passed.

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Madam Speaker, thank you for giving me the opportunity to participate in the debate on third reading of Bill C-113, an act to provide for government expenditure restraint.

Since we took office in 1984, we on this side of the House have not ceased to wage a tough battle against the deficit by presenting a very long series of budgets and bills to put the public finances in order and reduce government spending.

Despite all these efforts, the battle is still far from won and the struggle must go on if we want to put Canada back on the road to prosperity. Nevertheless, positive results have been achieved in spite of the constant and vicious attacks from the opposition and the disinformation campaigns and bad behaviour of the opposition parties—the Liberals, New Democrats and the rest. These positive results tell us that we are definitely on the right track and going in the right direction.

Although referring to the historic and very costly errors of the government of Trudeau and Chrétien does nothing to solve the present situation, as the opposition loves to say—and I understand their reaction; they do not like to be reminded of those things and if I were in their place, I would do the same because I would be very embarrassed about it—the fact remains that to have a good idea of the progress made, we must have a good idea of where we started from.

Where did we start from, Madam Speaker? In 1984, the deficit was $38.5 billion, or 10.3 per cent of the gross domestic product. To what was that $38.5 billion deficit and that $200 billion debt left to us in 1984 due? It is worth refreshing our memory and delving a little into the past.

Let me quote some statements made at the time. I will quote something Pierre Trudeau said in the expenditure guidelines statement of August 13, 1969. Mr. Trudeau said that if we did nothing to slow the increase in spending we were headed for disaster. Do you know how much spending increased that year, Madam Speaker? Government spending rose 11.5 per cent.

I now come to 1970 and 1971. The same Pierre Trudeau, at the Liberal convention on November 20, 1970, said: "You know, it is easy to say, Why don't you do more, but the answer to that question is always the same: people expect a lot from the economy and these expectations are often competing and contradictory". At that time, government spending was rising at a rate of 12 per cent.

In 1971–72, Edgar Benson said, and I quote *Hansard* for June 18, 1971: "We have constantly urged government, business and labour in Canada to moderate their demands on the economy to levels that do not exceed the additional benefits of increased productivity". At the time, the rate of increase in government spending was 15.5 per cent.

• (1535)

In 1972–73, we read the following at page 2011 of *Hansard* of May 8, 1972, in a statement by the member for Vancouver Quadra: "The bare fact of the matter is that we cannot do everything at once. We simply don't have the resources. There are limits to the scope of fiscal policy. There are limits to stimulus and readjustment". In 1972–73, government spending increased by 15.6 per cent.

In 1974–75, we read at page 7183 of *Hansard* of July 2, 1975, and I quote the Leader of the Opposition: "We have decided that restraint is necessary. In order to exercise restraint, we had to cut back on planned expenditures". And, Madam Speaker, do you know that at the time, government spending increased by 28 per cent?

In 1975–76, again in a statement by the Leader of the Opposition we read at page 11059 of *Hansard* of February 18, 1976: "I have continued to state the government's intention to hold the growth of expenditures between 1974–75 and 1975–76 to 16 per cent or less. This has been done through the exercise of great restraint on new expenditures and through actual reductions in previously approved expenditures". Do you know how much government spending had increased at the time this statement was made? It had increased 20.1 per cent.

I will now move up to 1980–81. This is from a statement by Allan MacEachen in his budget speech on October 20, 1980 when he said that to reduce the deficit, it was necessary to introduce drastic spending restrictions. At the time government spending had increased by 16.5 per cent.

We will now move on to 1982–83. I am still quoting Mr. MacEachen, who said in his budget speech on June 28, 1982: "Some say the government should print more money. Others say it should let the deficit rip. But that would fail miserably. Inflation and unemployment would get worse. Interest rates would rise even more. Canada would price itself out of world markets. Recovery would be postponed". Did you know that at the time Mr. MacEachen made his speech government spending had increased by 19.8 per cent?

The result of all this is clear. From 1970 to 1984 the annual average increase in government spending was 15 per cent. The deficit as a percentage of GDP was allowed to rise to 8.6 per cent. What was the situation in 1984 when this government came to power? Interest rates of up to 22 per cent, an inflation rate of 12 per cent and an operating deficit of $16 billion was the situation

under the Liberal government. This means we were borrowing to pay the groceries.

Someone said once: When I look at myself, I feel bad, but when I look at others, I feel better. I think those words are particularly apt today. What do we have now? In 1993 we have a deficit of $34.5 billion. In 1993 the average increase in government spending was reduced from 15 per cent to 4 per cent. The deficit as a percentage of GDP was reduced from 8 per cent under the Liberals to 5.2 per cent. In 1980 interest rates had soared to 22 per cent and in 1993 they have dropped to 6 per cent and 7 per cent.

In 1980, inflation was running at 12 per cent, while in 1993 it is down to about 2 per cent. We went from an operating deficit of $16 billion to a surplus of $6.5 billion. Not only do we not borrow a thing to feed ourselves but we produce a $6.5 billion surplus which allows us to absorb in part the cost of servicing the debt.

• (1540)

Our exports to the United States have increased thanks to our policies to a record $122.3 billion, a 13.5 per cent increase since 1991. This is important as we know that on an annual basis, for every additional $100,000 worth of products sold abroad, a new job is created. I could go on like this forever, but I only wanted to show very clearly that we are on the right track.

Basically, why can we now say we see the light at the end of the tunnel? Because the government faced up to its responsibilities, according to the mandate it received from the people and in spite of the vicious opposition from the New Democrats and the Liberals, and introduced legislation similar to Bill C-113 in order to bring public spending under control and to reduce it.

This has demonstrated to the world that Canada is still able to make the necessary decisions to put its finances in order and to live within its means.

The decisions we took had only one objective: to remedy an atrocious situation which in the long run would have jeopardized the future of this country, a situation which we inherited from the Trudeau-Chrétien era. But during all these years, during each and every debate we have had in this House on legislation aimed at controlling public spending, one fact has become very obvious, the disinformation coming from the opposition.

How many gloom and doom predictions, groundless exaggerations and vicious accusations are at the basis of the disinformation campaign carried on by the Liberal Party, the New Democratic Party and the Bloc Quebecois members? It must be said that these people have never hesitated to throw their support behind unions and pressure groups and to back their outrageous statements.

The debate on Bill C-113 is just another powerful example of that, as was the one on Bill C-21, drug patents, free trade between Canada and the United States and so many other instances. But in the specific case of Bill C-113, we heard a wide range of questionable statements of which the intellectual honesty was very doubtful.

What about the action of the Fédération des travailleurs et travailleuses du Québec, the FTQ? First, it caught the attention of the population by organizing a demonstration in the offices of Quebec members and even vandalizing some of them. However, later on it did not even appear before the legislative committee to present its arguments after having confirmed it would do so. No excuses. No explanations. The federation simply did not come.

It is very easy to make all kinds of idle statements during public demonstrations but when it is time to testify before a House committee, to state one's case before a legislative committee, to ship out without notifying anyone, without giving any explanation or excuse. I find such an attitude rather reprehensible. During all that time and since then, these people have instigated demonstrations once again using misinformation. Who in this House would agree with such totally unacceptable actions? The member for Timmins—Chapleau.

In the bill it is said that we will freeze UI benefits by decreasing the rate from 60 to 57 per cent for a two-year period. In the conclusion of the brief it presented to the legislative committee, why did the Confederation of National Trade Unions omit to mention that this measure will apply for a two-year period? Did it forget or was it deliberate? The CNTU also stated in the same document, and I quote:

• (1545)

Bill C-113 retains the absolute disqualification from benefits for people who have quit their jobs or been fired.

Why did it not specify, as the bill does, that the disqualification applies to those who have quit their jobs without cause or have been fired for misconduct? It is a major piece of information to omit and it alters radically the purpose of the bill. Yet the CNTU did not hesitate one second to convey this totally biased and false information. This is one more example of the kind of disinformation used by Bill C-113 detractors to discredit the government.

Let me give this example where they say that Canada is adjusting its social programs, the unemployment insurance program in particular, to the U.S. programs because of the Canada-U.S. Free Trade Agreement. We have no free trade agreement with France; still the benefit rate is 59 per cent over there and those who quit their jobs without cause are not entitled to any benefits. This in a country that has been run by a socialist government for years.

We have no free trade agreement with Japan. Nevertheless, in Japan benefits are paid at the rate of 48 per cent, not for one year but for six months.

We have no free trade agreement with England. Nevertheless, the benefit rate paid in England is 16 per cent. We have no free trade agreement with Italy and yet the benefit rate paid in Italy is 15 per cent.

Sweden is another country that the socialists constantly quote as an example. Go and see what is going on in Sweden. Let them go and see what is going on in Sweden. Decisions have to be made there too to control the system and cut costs.

As the Prime Minister said even with Bill C-113 our unemployment insurance program remains one of the most generous in all of the G-7 industrialized countries.

An hon. member: One of the most generous, really?

Mr. Robitaille: Yes, one of the most generous. Germany does give a few percentage points more than we do.

Long-standing opponents of free trade making this kind of connection between free trade and this bill is yet another striking example of disinformation.

Let me give you this example of a statement made by one of those who oppose this bill and certain hon. members of this House. I am quoting from the brief given by Mr. Paquette, of the CNTU, before the legislative committee:

> A person may have worked for the same employer throughout his entire life, and if he then quits his job and takes another job for 15 weeks, he would be disqualified from receiving benefits if he were required to have had 16 weeks of insurable employment. With Bill C-113, all the weeks of insurable employment in the first job would not count, even though premiums had been collected during this time.

Such allegations have been presented as the unquestionable truth to the workers in Quebec and Canada. The most telling however is the reply Mr. Paquette, the CNTU spokesperson, gave the legislative committee when asked what section of Bill C-113 he is referring to when making such an allegation. Here is what he said, and I quote:

> This is an interpretation we discussed with *Mouvement action-chômage*, amongst others.

It gets better. I am still quoting from Mr. Paquette's testimony:

> We consulted some Employment and Immigration employees. They have told us that our interpretation will be corrected by regulations.

On the basis of an interpretation, their interpretation of the proposed section 30.(1), and in spite of having been provided with ample information in their discussions with department officials, they did not hesitate one second to spread information they knew to be completely unfounded. Once again this is a clear case of disinformation for political purposes. The trouble is they did not even think for one minute about all the uncertainty they created among Canadian workers, some of whom are members of the CNTU who pay their union dues and should expect a more professional approach from their union executives.

• (1550)

What about the testimony of Mr. Hayes and Ms. Nancy Riche from the Canadian Labour Congress who said, and I quote Ms. Riche: "Approximately 20,000 penalties have been reversed. That is to say, if they were given an eight-week penalty, it was changed to four weeks or three weeks or two weeks or zero. For 20,000, whatever penalty they had been given was reversed altogether".

In fact, according to the official data from Employment and Immigration Canada, the situation is quite different. Employment and Immigration Canada is telling us that in 1992, 36,003 initial decisions were appealed to what is commonly known as the Unemployment Insurance Arbitration Tribunal. Out of these 36,003 appealed decisions, 26,700 were upheld and 8,800 reversed, a far cry from the 20,000 figure quoted by Ms. Riche.

Where did Ms. Riche, executive vice-president of the Canadian Labour Congress, and Mr. Hayes, senior economist in the same organisation, get their figures? On what official data did they rely to say such a thing publicly in front of a legislative committee of the House? Here is the answer of Ms. Riche and her colleague, Mr. Hayes, and I quote him: "The figures we got initially were over the phone". These people testified on the basis of telephone calls, just like that. This was not very professional and it was one more example of the kind of disinformation they used on the Canadian public. It is shameful.

What about the evidence we heard from Mrs. Suzan Giampietri, vice-president of the Public Service Alliance of Canada, and her colleague, Mr. Cres Pascucci, national president of the Canada Employment and Immigration Union, who said assessments made by departmental employees, who happen to be members of their own unions, were more like guesstimates, hence questioning the professionalism of their members who work for that department and prepared the administrative data officially provided to all members of the committee.

Those who questioned the work done and the data provided showed a total lack of respect for the employees of Employment and Immigration Canada. Another fine example of how to knowingly misinform the public.

I have many more examples describing the disinformation campaign aimed at the Canadian population and orchestrated by several union leaders for political purposes, obviously in collusion with members from the NDP, the Liberal Party and the Bloc Quebecois.

Not surprisingly, things got very tense at times and the people responsible for that situation should be ashamed of what they did with full knowledge of the facts.

What exactly is Bill C-113? In reality it is an act to provide for government expenditure restraint following the economic statement made by the Minister of Finance on December 2. This legislation has become necessary in order to restrain the country's deficit and control the deficit in the unemployment insurance fund which is threatening our UI system.

Under this bill, salaries of public servants, members of Parliament, cabinet ministers, judges, the Prime Minister, senators and the Governor General will be frozen for two years; in fact salaries of members of Parliament will be frozen not for two, but for three years. Also, unemployment insurance benefits will be frozen for two years because of a decrease in the UI benefit rate from 60 percent to 57 percent. And I do mean for two years, because opponents and the opposition regularly forget to mention it.

• (1555)

In addition, the bill provides that from now on, anyone who quits a job without just cause or reason, as well as anyone who is dismissed for misconduct, will not be eligible for unemployment insurance benefits.

It is unacceptable for all workers in Canada who contribute to the UI fund to pay for the decision freely taken by an individual to leave his or her job without valid reason or provocation. It is a matter of fairness.

Just because we pay fire or accident insurance premiums does not mean that we will automatically collect if we are responsible for the fire. It must be the same for unemployment insurance, which is and must remain a safety net so that those who lose their jobs can receive support until they find other work.

It is important to mention that there was another way to limit the deficit in the UI fund, namely to increase the premiums of all workers and all employers in Canada by 10 per cent, 20 per cent, 30 per cent or 40 per cent. The government rejected this option knowing that it would adversely affect the economic recovery. A 20-cent increase in UI premiums would cost 30,000 people their jobs in 1993 and 60,000 in 1994. We cannot afford to endanger a recovery that is already well under way.

The bill also increases the number of valid reasons for leaving a job from 5 to 13 and recognizes over 40 situations in which a person can quit and still be eligible for UI benefits.

It is to be expected that the opposition would try to downplay this given their highly partisan objectives. Nevertheless, these reasons for quitting are in the legislation. There is no getting around them and they are a further guarantee for future claimants.

The bill also provides for private hearings and the possibility for a victim of sexual or other harassment to testify without the person who harassed him or her being present. This will help create a better environment for putting a victim at ease and thus encourage the reporting of these unacceptable acts.

It is surprising that the member for Timmins—Chapleau tabled an amendment at report stage that would not allow hearing the testimony of a harasser unless the victim was present.

I think that our bill allows the chairperson of the Unemployment Insurance Arbitration Tribunal, in hearing testimony from the victim or the harasser, not to expose the victim to the harasser's testimony, since the person has already suffered harassment.

The bill also imposes a more objective process for deciding on eligibility, requiring officers of Employment and Immigration Canada to obtain and consider the employee's and employer's versions in rendering a decision.

The commitments made by the minister, Mr. Valcourt, on training programs for the personnel of Employment and Immigration Canada who have to deal with cases of sexual harassment must not be minimized either.

• (1600)

Consider the following breakdown of staff at Employment and Immigration Canada: 85 per cent of front-line officers are women; 71 per cent of tier two officers are women; 63 per cent of claimant services officers are women; 87 per cent of reception and information clerks are women; 64 per cent of supervisors in Canada Employment Centres are women. Together with the training these women have received, this is one more guarantee for individuals who have suffered sexual or other harassment that they can expect to be treated fairly, to the extent that the circumstances of this harassment are recognized as a valid reason for quitting and for receiving unemployment insurance benefits.

Canadians are constantly asking us to put our financial house in order. They no longer want us to mortgage the future of our children and subsequent generations. The government has made a firm commitment in this respect and we intend to meet that commitment.

Canadians also want us to make manpower training and retraining one of our priorities. The unemployed want more than just an unemployment insurance cheque when they lose their job. They want to be given a reasonable chance to get back into the labour market. Thanks to this bill and our previous legislation we will be in a better position to meet their expectations because amounts spent on training will be increased to nearly $3.5 billion annually. This is an important point.

I have seen a lot of people in my riding lose their jobs. They do not want an unemployment insurance cheque. They want to find another job but often must face the fact they lack training and skills. They are willing to take the time and make the effort to acquire those skills provided we give them the tools to help them do what it takes to re-enter the labour market as quickly and effectively as possible. That is one of the positive aspects of our unemployment insurance policy.

Canadians will no longer let their future and the prosperity of Canada be jeopardized. They no longer want the interests of Canadians to be subordinated to partisan considerations, something the opposition has failed to understand, which is why it will remain the opposition for a long time.

Since I have some time left, perhaps I will quote the list of reasons that constitute just cause for quitting one's job: sexual or other harassment, you can quit your job and receive unemployment insurance benefits; obligation to accompany a spouse or dependent child to another residence; discrimination on a prohibited ground of discrimination within the meaning of the Canadian Human Rights Act—another just cause for voluntary quitting; working conditions that constitute a danger to health or safety, just cause; obligation to care for a child or member of the immediate family, just cause.

The following reasons were added to the existing eight: reasonable assurance of another employment in the immediate future, just cause; significant changes to

the terms and conditions respecting wages or salary, just cause; excessive overtime work or refusal to pay for overtime work—the employer is at fault and the employee refuses to tolerate the situation—just cause; significant changes in work duties, a reason recognized as just cause; antagonistic relations between an employee and a supervisor for which the employee is not primarily responsible, a reason recognized as just cause in case of voluntary quitting; practices of an employer that are contrary to law, just cause; discrimination with regard to employment because of membership in any association, organization or union of workers, a reason recognized as just cause in case of voluntary quitting; undue pressure by an employer on employees to leave their employment, just cause; such other reasonable circumstances as are prescribed. That is the thirteenth reason, the one that allows us, on the basis of current and future jurisprudence, to identify new, valid reasons without having to go back to Parliament and introduce new legislation.

• (1605)

Employment and Immigration Canada will be able to adopt regulations relating to the concept of just cause for voluntary quitting to maximize fairness to claimants.

The benefit of the doubt is a genuine consideration and Employment and Immigration Canada will give claimants the benefit of the doubt. Usually the people who make the decisions are able to draw sensible conclusions from circumstances, evidence and other relevant factors in favour of one of the parties. Considering that we have a system that has been in existence for 40 years and considering the experience of the people who work at Employment and Immigration Canada, I think there can be no doubt about their competence in this respect.

Claimants will be given the benefit of the doubt in cases when contradictory or equivalent evidence is submitted and, as a result, the evidence does not support one party rather than the other. In such case the benefit of the doubt will go to the claimant. In other words, the decision will be in the claimant's favour. This means that when the unemployment insurance officer, as prescribed by law, receives the employee's and employer's version of the facts and is unable to make a decision on the basis of these statements, the benefit of the doubt will go to the claimant.

In conlusion, I must say that Bill C-113 and all similar bills are never a matter of rejoicing for the government. However, with a debt of $400 billion, a deficit of $34.5 billion and an anticipated deficit of $8.5 billion in the unemployment insurance account we must act now, the government must make certain decisions and act responsibly, which is what Canadians want us to do. That is what this government is doing and has done since it came into office. That is what we will keep on doing as long as we have a mandate from the people of this country. I am sure Canadians will appreciate our responsible attitude and our sense of fairness, all of which is in the best interests of the people of this country.

[*English*]

Mr. Maurizio Bevilacqua (York North): Madam Speaker, Bill C-113, the bill we are discussing today, arrives at the third reading stage after an exceptionally rocky ride.

We all remember the angry reactions of Canadians when they first heard of these changes in the government's economic statement last year. We all remember the protesters who invaded the riding offices of government members from Quebec and threw the furniture from those offices into the street. Despite this anger the government has demonstrated insensitivity and arrogance in its attempt to sell these changes to Canadians.

Who can forget the employment minister saying that it was time the government had—I will not use the words that he used because they are unparliamentary—to face facts and get tough with people who quit their jobs to freeload off the UI system? There was also a suggestion that UI recipients should be proud to sacrifice some of their benefits in order to help control the deficit. Who will ever forget such ludicrous ideas as the 1-800 UI snitch hotline, the UI police squad or the claim that the February 7 demonstration in Montreal was a separatist set-up?

• (1610)

The government paid for its incompetent handling of this issue. The former deputy minister of employment and immigration was demoted and transferred to the Department of Supply and Services. The government had to deal with a revolt in its Quebec caucus. Finally, the minister backed down and introduced a new bill, Bill C-113, in an effort to disguise the changes to the Unemployment Insurance Act that attracted so much scorn across the country.

Of course Bill C-113 fooled some people. It fooled all but two of those Conservative members who have spoken out against Bill C-105. Those two remaining hold-outs eventually voted with their constituents instead of voting with their party.

However, Bill C-113 did not fool the people of Canada. The opposition to the new bill has been just as widespread and just as angry as that which confronted the government's first bill.

When the legislative committee on Bill C-113 started holding hearings, hundreds of groups and individuals opposed to the bill requested the opportunity to make a presentation to the committee. The opposition to Bill C-113 shows no sign of diminishing. I still receive letters and faxes from opponents of the bill who wish to present a brief to the legislative committee. I have petitions here with signatures of more than 5,000 Canadians who want this bill withdrawn.

The popular opposition to Bill C-113 was evident two weeks ago in Toronto when 3,000 angry demonstrators marched through the streets of the city protesting these changes.

What I am simply outlining here is the fact that the government has become extremely distant from the people of this country. That opposition was evident last week in Montreal when opponents of this proposed legislation broke down two doors at the Queen Elizabeth hotel where the Minister of Finance was scheduled to make a speech. Those protesters had to be restrained by the police. This is the type of anger that is being vented against this bill, which is extremely unfair and unjust to Canadians.

Bill C-113 is the cause of such anger. The changes to the UI act contained in this bill are absolute, arbitrary and unfair. They are going to cause pain for some Canadians and they are going to push some into desperate situations.

The employment minister and the Minister of Finance do not seem willing to accept this. They do not seem to believe that the changes they are proposing are going to cause economic suffering. It is easy for them to deny it since they do not come into daily contact with unemployed Canadians.

However, the civil servants who work in Canada Employment Centres know better. Many of them understand that this bill is just not right. They fear for their lives and are worried about how some UI claimants might react when they learn that they are not eligible for benefits. The government has acknowledged that the potential for violent reactions in CECs as a result of these changes is a possibility. At the legislative committee the deputy minister admitted that his department is going to be improving security at CECs.

If this bill is so fair and just and if these changes are needed and are morally, socially and economically acceptable, then why would Canadians, perhaps the most tolerant people on earth, react in the manner in which they have?

Already the threat of violence hangs in the air. Last week in Montreal a CEC had to be evacuated after it received a bomb threat. It turns out that there was a bomb but the detonator was defective. As a representative of the employees stated: "They were able to evacuate this time but next time, who knows?"

The people who work in CECs, who live that reality every day, have taken matters into their own hands. This week they started distributing a booklet entitled "For a Just Cause" that is designed to help UI claimants get around the obstacles that this government is throwing in their way.

Naturally the government is cracking down on the distribution of this booklet thereby contributing to the atmosphere of distrust and resentment which surrounds Bill C-113.

Why has this happened? How did the relationship between the government and the people of Canada deteriorate to the point where we have to seriously consider beefing up security in government offices?

• (1615)

Reaction has been so strong because the changes to the unemployment insurance program contained in Bill C-113 threaten every Canadian who has a job.

By reducing the benefit rate from 60 per cent to 57 per cent of insurable earnings, the government is going to be taking money out of the pockets of some families. It may only be $80 a month, but for some households that represents the hydro and phone bills or a weekly order of groceries. For the vast majority of Canadians who live pay cheque to pay cheque, losing an extra $80 a month can be a major set-back.

Bill C-113 will also deny benefits to people who leave their jobs without a government-defined just cause or who were said to have been fired for misconduct. It is the frightening possibility of total disqualification which has provoked the most resistance. This measure contains an implicit threat. It says to Canadians in a difficult or unfair work position: "You had better be able to take it, because if you quit or if your boss fires you, you are going to have to prove you deserve unemployment insurance and that can take a long time".

Bill C-113 contains a reverse onus. Instead of assuming that all unemployed Canadians deserve the support of UI, it assumes that only those who can prove they were wronged deserve it. In a sense, UI claimants will be guilty until proven innocent.

We have heard the example of women who are victims of sexual harassment in the work place. While I am glad the employment officers who hear such cases will be instructed to give such women the benefit of the doubt when they apply for UI, I am nonetheless worried that some women are going to fall through the cracks.

Sometimes the deck can be stacked against employees in these situations. It can be extremely difficult to prove sexual harassment. It can occur without witnesses being present and the guilty party can sometimes marshal other employees to contradict the testimony of the victim. Clearly the benefit of the doubt is not sufficient protection.

People are fired and forced to quit for other reasons than sexual harassment. Take the example of a member of a given minority group. If he is the victim of racial or religious discrimination in the work place he may have no recourse but to quit. If he complains too loudly, he risks being fired or forced to quit. Of course his boss will give another reason for his dismissal. Consequently that person may have serious difficulty proving he was not fired for misconduct but was the victim of discrimination.

The government may dismiss these hypothetical examples, but I am certain the members opposite have heard from their constituents and know just as well as we do that people are going to suffer economically as a result of these changes.

I was recently given a copy of a letter one of my colleagues received from a constituent. The letter was addressed to the minister of employment with a copy to my colleague. The letter was from an expectant mother who was distressed to learn that UI benefits she will receive during maternity leave are also going to be reduced from 60 per cent to 57 per cent. This woman spoke of the difficulty this will cause. She mentioned innumerable expenses such as diapers, clothes, baby food and others that arise with the arrival of a baby. She said something that really touched me. Addressing the minister of employment she said: "Maybe you think 3 per cent is small but let me tell you that most people do not have an expense account and our end of month is not as rich as yours". She is right, of course.

As I have said before, in the real world people have to fight to make ends meet. In the real world people fall through the cracks of the UI system. Despite a civil servant's best intentions, a person who deserves UI sometimes fails to prove his or her eligibility.

I have a very interesting example here. The claimant was a pipe fitter who was called out by his union hiring hall for a short-term job. The claimant always took jobs when he was called out by his union even though in this case the rate of pay was approximately $6 an hour less than his normal rate. The man travelled to where the job was. He found a place to live and worked for one day. He approached his new employer for an advance in order to pay for his lodgings. He was told that the employer did not follow the standard industry practice and would not pay the advance. The claimant advised his union which after discussing the situation with the employer, told the man no advance would be paid. As the claimant had no credit cards or money he was forced to quit and return home.

• (1620)

The commission decided this was a case of voluntary quitting and disqualified the man for 12 weeks. That decision was upheld by the board of referees. The man took his case to the umpire who reversed the decision and restored the benefits he had lost. It took 22 months before this man's benefits were restored by the umpire.

Under Bill C-113 he would not receive any benefits whatsoever until after the umpire's decision. Where is the justice in that? Is it any wonder that people are opposed to Bill C-113 if the changes it contains are going

to mean that some people have to wait two years to get their benefits?

Why does the government persevere with a bill that is obviously going to create so much inequity and economic hardship? The government, especially the Minister of Employment and Immigration is sending out confused signals about why the country needs this bill.

On the one hand the minister says the bill is designed to merely help the government control its costs. As he said before the legislative committee: "I have always said this is not UI reform, this is a fiscal measure". However, in the next breath the minister seems to contradict himself and says: "There is a fiscal thing but there is also something else here. There is an incentive in the act, an incentive for workers to say well I am going to put in my 10 weeks and then I am going to go and sit at home and do nothing and I am going to get my neighbour to pay for me. The incentive is there".

That is what the minister believes. Sometimes Bill C-113 is a fiscal measure. Sometimes it is a remedy to the perceived problem of free-loaders in the UI system. I would like to address both points and show how the bill fails on both counts and then comment briefly on how the Minister of Employment and Immigration has allowed his personal bias to colour this debate.

First, there is the issue of Bill C-113's deficit-fighting mission. Before looking at what the changes in the bill are supposed to accomplish, I think it would be useful to put them in context by looking at the present state of the UI fund.

In 1990 the government decided that general revenues would no longer contribute to the UI fund. Since that time the fund has been financed solely by UI premiums paid by employees and employers. These premiums have been raised twice since 1990: first by 24 per cent in July 1991 and then by 7.1 per cent in January 1992. Revenues collected from these premiums totalled $17.9 billion in 1992-93.

Despite such revenues the cost of the program has climbed $7 billion since 1990 due in large part to an unemployment rate which went from 8.1 per cent in 1990 to 10.3 per cent in 1991 and to 11.3 per cent in 1992.

Because of steadily rising UI costs, the UI fund is in a deficit position. The cumulative deficit is presently $4.7 billion. The government expects that cutting the benefit rate from 60 per cent to 57 per cent and eliminating UI benefits for voluntary leavers and those who are fired from their jobs will save a total of $2.45 billion over two years.

Normally one might expect that if the government hopes to save such a large amount of money the sum will reduce or at least contain the deficit in the UI fund. Unfortunately that is not the case with these changes, even though the government is going to inflict economic hardship on millions of Canadians with these UI changes. The deficit in the UI fund is expected to rise to $7.6 billion by the end of 1993 from $4.7 billion at present. It is clear, therefore, that from a deficit-fighting standpoint the changes in Bill C-113 are a failure.

I am not saying, as some have suggested, $2.45 billion is a negligible amount. It is not. What I am saying is that if the government is willing to introduce measures which are going to hurt millions of Canadians, then it owes it to Canadians to make sure those measures accomplish what they were designed to accomplish.

If the deficit in the UI fund is going to continue to sky-rocket despite these changes, then it is right to say that the government has failed.

• (1625)

There is also the question of the bill's social engineering side. It is supposed to cure all the free-loaders who now live off the system of their dependency on hand-outs, to use one of the minister's expressions. The minister is quite insistent on the importance of hunting down these people who he says are hurting the system. He is convinced that this is a serious problem, but numbers from his own department seem to indicate otherwise.

During the legislative committee's study of this bill we were given a briefing by officials from the Department of Employment and Immigration. In their presentation one chart in particular stood out. It is entitled "The Pattern of Job Separation and the UI Program, 1991". At the top of the chart is a large rectangle representing total job separation. In 1991, 6.9 million Canadians left jobs for one reason or another. Below that first large rectangle is a smaller one called "Used to Establish UI Claim". There were 3.6 million UI claims in 1991.

The next rectangle represents UI claims for that year: three million. When that figure is broken down we are given two smaller rectangles. One represents people who applied for UI who did not quit their jobs. In 1991 there were 2.35 million who made claims under those circumstances.

People who did quit their jobs totalled 650,000. That number is broken down even further. Of the 650,000 Canadians who made UI claims after quitting their jobs, 460,000 were found to have quit their jobs with good reason. The total number of people who quit their jobs without good reason was 190,000 out of a total of three million, a mere sliver on the departmental chart.

While I agree that even 190,000 free-loaders, if they are free-loaders, are 190,000 too many, I would suggest to the minister, to the government and to Canadians watching today that this is not the problem the government is making it out to be. The problem is termination and lay-offs not voluntary quitters. The Conservative economic agenda has been the failure and as a result we must pay as a society with the economic hardships that Bill C-113 will create.

I know that the minister of employment disagrees vehemently with what I have just said. It has become clear in this debate that he views social programs and their important function in a completely different way than most Canadians. While most people think of the social safety net as something that catches us and saves us when we fall off the high wire of life the minister has referred to it as a fishing net that traps those in the net in a cycle of dependency.

When he appeared before the legislative committee on Bill C-113 the minister of employment told us an anecdote about people in his riding who work in a sawmill and would quit to go hunting. These people coerced the mill owner to write false records of employment because they knew that he needed them more than they needed him. The minister's disgust and frustration with these people was apparent.

It is clear that those are the kinds of people who fuel his pursuit against voluntary quitters, people who laugh at the system because they know that when push comes to shove they can survive in the underground economy selling firewood, working under the table, or living off what they hunt during the winter. That is not the reality of most Canadians. Most people are completely dependent on their salaries, and if they lose their job it is not a question of making a slight adjustment in life-style, they are completely devastated.

The minister is indifferent to that larger reality. All he sees is those people who thumb their noses at the system, and it makes his blood boil. Later in his presentation to the legislative committee the minister made a very revealing admission. We were talking about how these changes really just tinkered with the system, tinkered on the sidelines. The minister admitted that it is just tinkering. Then he said that if it were only him, and he stopped for a second as if catching himself, and then went on to say it would be much more comprehensive UI reform that would be undertaken because we need it.

• (1630)

It is a shame that the minister held back because I would have been interested in knowing what he would like to do with the UI program. I have often urged this government to present a plan to Canadians because we desperately need a vision to lead us into the next century.

I think that as a society we must re-evaluate old beliefs and find new ways to cope with the new reality. We see that the debt and the deficit are beginning to interest Canadians and I think this is a very positive development.

I am anxious to see how the government tries to explain its lackluster performance in these two areas and possibly the UI system is another area which deserves to be re-examined.

The minister seems to believe so, even though he hesitates about what changes he might like to make.

I say to the minister that if he has a plan for comprehensive UI reform, then he should present it to the House because the bill now before this House is a dismal failure. If the UI act needs to be reformed, then that is a debate which should take place immediately. Canadians need help in preparing for the new world economy and if UI reform is to be part of that help then let the government put a reform proposal before the Canadian people so they can judge whether or not the proposal is worth while.

Bill C-113 certainly does not fit the bill. The minister has admitted that this bill is only tinkering and that amateurism shows. Bill C-113 does not address the problems of the 1.5 million unemployed Canadians. It does not address the sad state of the 2.2 million Canadians on welfare. It does not address the skills shortage that keeps so many Canadians from being able to fill the hundreds of thousands of good jobs available in this country.

I said earlier that among the three million new UI claims that were filed in 1991, 2,350,000 were filed by people who did not quit their jobs. Instead of voluntary quitters, the minister should focus on these people. Instead of cutting benefits, the government should be helping Canadians get back to work.

As I have said before, for each one percentage point drop in the unemployment rate, the UI fund deficit drops by close to $2 billion. If the government would attack unemployment as single-mindedly as it fought inflation and managed to get the unemployment rate to the 1990 level of 8.1 per cent, it would cut $4 billion from the UI fund deficit. The government has consistently shown that it is unwilling to take on the problem of unemployment. It is for that reason that we now find ourselves with a $4.7 billion deficit in the fund.

In closing I would like to underline a few important points regarding this piece of legislation. Yesterday the member for Athabasca got up and addressed the House in the debate during report stage on this bill. The member spoke a lot about fairness and I agree with him that the question of fairness plays a very large role in this debate.

Although I look at it from the opposite perspective, the changes to the UI act contained in Bill C-113 are unfair. Of course many things in life are unfair and we have to adapt as best we can but I think it is fundamentally wrong for a government to introduce legislation that it knows will hurt people.

The minister says that the bill is necessary in order to stop the abuse of the system. I have already indicated that the so-called abuse by voluntary quitters is relatively minor but something that is equally important to remember is that safeguards already exist to limit the number of free-loaders who abuse the system.

The minister may enjoy talking about all the UI free-loaders enjoying Florida. In reality a person must be available for work in order to collect UI. You cannot just sit around at home watching TV all day if there is work available. That is a myth.

• (1635)

More important, there now exists a penalty period of seven to twelve weeks which officers who handle UI claims can give to people who either quit without just cause or are fired for misconduct. The legislative committee on Bill C-113 was told that the average penalty is 8.5 weeks. The EIC official said and I quote: "A very small percentage get the full 12 weeks". It is clear that abuse is not really the problem. What does that mean? If voluntary quitters were the problem, as the minister suggests they are, would not more people get the full 12-week penalty? Of course they would.

I asked the EIC official why go to a total exclusion, as in Bill C-113, if the full 12-week penalty is seldom given? Her answer was: "The decision was made on the basis of financial reasons". It was not abuse, it was merely a political choice that this government made. That is heartless. The government needs to save money, so instead of cancelling or scaling back a $5.8 billion helicopter package it is going to exclude needy people from the UI system.

An hon. member: Well said.

Mr. Bevilacqua: Canadians will not forget such inequities. A solid majority oppose the changes in Bill C-113 because they understand that the bill will affect everyone. The anger and the bitterness that has resulted from this bill are sad testimony to this government's ability in the dying days of its mandate. At a time when everyone, business, labour, government and individual Canadians, should be working together to design a new society, the government is pitting Canadians against each other in a new class struggle. Canadians deserve better.

The government owes it to the people to withdraw this bill and go back to the drawing board. If we need UI reform then let the government offer Canadians an honest reform package. I know, and deep down everyone here knows, that Bill C-113 will do much more harm than good. For this reason, and for the reasons I have outlined today, I strongly and sincerely hope that all members will defeat this bill.

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, I rise today to speak to Bill C-113. I regret that the member who is the unemployment critic of my caucus was unable to speak because he had to go to his riding for his nomination. We had asked the government to co-operate and delay the vote until tomorrow but that was not possible.

I am rising in his place and I wanted to begin my remarks about Bill C-113 by saying that it is interesting that not every employer in this country applauds the government's position in introducing this legislation. I would like to refer to *The Ottawa Citizen* of Wednesday, January 22, 1992. That is over a year ago.

Matthew Barrett, the chairman and chief executive officer of the Bank of Montreal gave a speech at his firm's annual general meeting. In his speech he said: "There is a dark side to an economy in transition. Building a new economy will be a painful process for many Canadians. Most of that pain will be borne by the thousands of Canadians whose jobs disappear. We now have 1.5 million unemployed. That is a human tragedy of enormous proportions. It brings grief and division to the jobless and their families, and it is unjust. A blameless minority are paying the cost of a restructuring that will ultimately benefit all Canadians".

He went on to say: "We cannot treat the unemployed as the cannon fodder in our economic battles. That would be callous and it would also be wasteful since every unemployed Canadian is an unrealized asset".

What did the government do subsequent to January 1992? It immediately set out to use the unemployed as cannon fodder for the failed Tory and Liberal policies.

• (1640)

A number of people asked me when I was home in my riding whether Bill C-113 is really as bad as I am saying it is. I sat down with them and talked to them about what is in this bill, and we have heard that discussed in this House today.

Anti-poverty groups are saying that Bill C-113 will drive more Canadians below the poverty line, and it is just magic that at the same time the hon. member for Don Valley North, who is the chair of the poverty subcommittee, wants to lower the poverty line in this country.

Bill C-113 further erodes Canadian labour standards, that is from the unions in Canada. Bill C-113 will increase discrimination, that is from human rights groups in this country. Bill C-113 will allow more employers to get away with sexual harassment, that is from women's groups in this country.

Bill C-113 passes the social programs back to the provinces, that is from provincial governments. Bill C-113 will increase the cost of transporting grain and hurt Canadian farmers, that is from farming groups. Bill C-113 threatens occupational health and safety, that is from a number of health and safety committees. Bill C-113 wipes out free collective bargaining for federal workers, that is from public sector workers in the federal government.

In response to those who have asked me about Bill C-113 I have tried to point out that if there was no danger for Canadian workers in Bill C-113 there would not have been protests across this country. There would not have been 50,000, 40,000, or however many thousand, people on a bitterly cold sub-Arctic day in Montreal demonstrating their disapproval of this legislation to this government.

We got back into the House of Commons and this government withdrew Bill C-105, rewrote it and introduced it as Bill C-113. Aside from some cosmetic changes in the UI section, adding to the just cause list, providing more privacy for victims of sexual abuse and a clause for evidence for fired claimants, the bill is still the same.

Public Service wages are still frozen in total disregard to due process of collective bargaining. Grain transportation costs still go up at a time when most farmers are already struggling. Bill C-113 actually adds in the Atlantic Freight Assistance Act.

UI benefits are still reduced from 60 to 57 per cent of former income. People who are fired for misconduct or who quit without just cause still will be totally cut off from UI benefits.

The bill is overkill on a problem that is more perceived than real. The government has turned the safety net of UI into a drift-net that will gather up thousands of innocent victims of economic policies that have been perpetrated by this government and the Liberal government before it. It will gather them in along with a few abusers. Every Canadian who is required to quit his or her job and every person who is fired becomes the victim of this bill and has to prove to the government that he or she should be eligible for unemployment insurance.

The government will argue that it will be saving money by introducing this bill. Judy Rebick says that by the government's own figures it is going to save $900 million through the cut in voluntary quits and firings. Of that, $400 million will go to businesses for the government to pay their premiums for new hires. We are now talking about $500 million, and out of the $500 million—I know a little bit about security, of what new security systems cost in every UI office—we could estimate that we are talking about several million—

Madam Deputy Speaker: I am sorry, I have to interrupt the hon. member for Mission—Coquitlam. She will have the time remaining for her speech as soon as the Speaker has addressed the House.

* * *

• (1645)

POINT OF ORDER

ORAL QUESTION PERIOD

Mr. Speaker: First of all, I thank the hon. member for Mission—Coquitlam for her courtesy in allowing me to interrupt her on a matter which I wish I did not have to address but which I do.

Earlier today I made a remark with respect to an exchange that was taking place in the House, a remark which I was wrong in making, in which I asked the question whether or not the hon. leader of the New Democratic Party, the hon. member for Yukon, was supporting the position of our colleague who was involved in the dispute.

I want to say to my colleague, the hon. member for Yukon and the leader of the New Democratic Party, that I was absolutely wrong in saying that. I knew I was wrong as soon as I said it. That is why I did not say anything further about it.

I hope my colleague will accept my apologies and I hope her colleagues will accept my apology. I am conscious of the statement made in the Chamber by our colleague and long-time friend of mine, the hon. member for Winnipeg Transcona. I hope he will feel that this apology is adequate and satisfactory.

I sometimes have to ask members to apologize and it is probably fitting that once in a while a Speaker has to do the same thing.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I would like to thank you very much for that. Of course I accept your words and your apology.

I think all of us understand that from time to time there are things we might change in what we have said, but I think it is with great honour to your office that you have on this occasion clarified the record. I appreciate it very much and I thank you.

Mr. Speaker: I thank hon. members.

Madam Deputy Speaker: We will be resuming debate. There are 13 minutes left for the hon. member for Mission—Coquitlam.

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GOVERNMENT EXPENDITURES RESTRAINT ACT, 1993 NO. 2

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-113, an act to provide for government expenditure restraint, be read the third time and passed.

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, I was in the process of quoting remarks made by Judy Rebick from the NAC in appearing before the committee on Bill C-113. I was outlining the costs she saw under this bill: "There will be an additional 200 appeal workers and estimates are that it will be more than that because of the increase that happened when the penalties were placed. There was a huge increase in appeals, from a few a week to constant every day appeals. We are now going to have even more under this new legislation because people are being thrown off UI altogether.

How much money is really being saved? Very little. We do not believe this is a deficit reduction, member. We believe it is a political attack on unemployed people, on women and an attempt to bring our UI system into harmony with the American UI system".

I would like to introduce something into my remarks and read it into the record for the benefit of those unemployment help centres across the country that are advocacy centres and for those who just might be watching and want to know what their rights are under this bill. I would like to read into the record a few instructions that are proposed in a booklet called "For a Just Cause". It is a UI handbook produced for workers by workers. It is printed by the Public Service Alliance of Canada and it is from UI workers whose wages, I might add, were frozen at zero for the next two years by this bill.

Those UI workers are very concerned about what the impact of this bill is going to be on those Canadians who are facing unemployment. In particular, I want to address my remarks to the just cause for quitting a job section and being fired for cause.

The question in the booklet is: "What are just causes for quitting a job?" The response, and I again point out this is from unemployment insurance workers who are the front line workers: "Just cause is defined in the UI act as having no reasonable alternative to immediately leaving the employment. You will not be disqualified from UI benefits if you have just cause for quitting your job: you quit because of a hostile attitude toward you created by your employer or supervisor; you quit because your employer is breaking the law, for example, you were not being paid and you reported the employer to the provincial or territorial authorities; you quit because your employer is harassing you for your union activities; you quit because your boss forced you to quit or be fired, forced early retirement or buy-out package.

• (1650)

Just cause is not limited to these reasons. For example, just cause might exist if: you quit because you had been working away from home for a long time and it is causing family problems; you quit because you were working away from home and had to return because of an illness in the family. However you may be disentitled for not being available for work".

There is an example listed.

"Suppose, before the changes to UI, you were being sexually harassed at work. You did not tell the person harassing you to stop; you did not go to the union steward or to the employer. You just wanted to get out of there so you quit. You probably would not have shown just cause and you would have been disqualified for seven to twelve weeks because you did not do everything possible to avoid quitting. The changes to UI mean that you will not receive UI benefits at all because you did not do everything possible to avoid quitting".

In other words, as a woman who is being sexually harassed you must confront your harasser and your employer before you are eligible for unemployment insurance benefits.

The question then becomes: What does misconduct mean? Misconduct means you have been fired from your job because you have done something improper or unacceptable for an employee to do. It can be either criminal or non-criminal.

That brings me to another matter that is under discussion or that would draw a nice analysis between this bill and the justice system in Canada. What is the difference between a UI claimant in Canada and an accused criminal in Canada? Under the criminal justice system the onus of proof is on the system. For a UI claimant the onus of proof is on the claimant.

Under the criminal justice system the person is innocent until proven guilty. Under the unemployment insurance system the claimant is guilty until proven innocent.

Under the criminal justice system criminal justice is guided by laws that must be changed by statute. It is a rigorous process. UI is guided by directives that can be changed by the commission at any time and that can be interpreted loosely or severely.

Under the criminal justice system all witnesses are treated equally before the law. Under UI, employers have more power through the separation slip and through the approach recommended by the UI directives than does the claimant.

Under the criminal justice system decisions are made first by police for information gathering, then by the Crown attorney's decision to proceed with charges and then by judges and/or juries. Under the UI system the UI agent is a police officer, lawyer and judge usually with the responsibility for making the decision all alone.

I could go on. There is a whole page full of these analogies but I think I have made my point on that.

I would like to suggest to all those people who are interested in UI and who want to know what their rights are under this act that they should contact their local Public Service Alliance of Canada office or the office of their member of Parliament to ask for the document "For a Just Cause".

I would like to say that the minister in committee told an anecdote about workers in his riding and I have a short anecdote too to close my remarks. A young man was out on the town in his home town. This is an anecdote by the way that was told to me in Fredericton, New Brunswick. He went across the line to have a few drinks on his motorcycle. He came back to town and had a bit of an accident on his motorcycle. He fell off his bike, injured his eye and had to miss some work. Let us say that man's boss had penalized him and fired him for not attending work because he had had an accident that the boss may have felt was self-inflicted. Would that young man have been eligible for unemployment insurance? The group of people who were discussing this, among them people who work in UI offices, said: "No, absolutely not".

• (1655)

What happened to that young man who was from New Brunswick who would not have been eligible for UI? That young man got two weeks at the Prime Minister's summer home for his troubles.

Mr. Merrithew: Small stuff.

Ms. Langan: The hon. member across the way thinks that was a cheap shot. I have to say that the unemployed in this country think that this government's policies are cheap shots at a time when there is double-digit unemployment in this country and it is taking away their benefits. It is inexcusable. There is nothing cheap about that shot except that this government has got to change its ways or be gone.

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of National Defence): Madam Speaker, I have listened to most of my colleague's comments to the House on Bill C-113. First of all, I should say that I started listening with interest to her anecdote about the young man from New Brunswick, but I thought that the last comments about that young man were quite inappropriate for this kind of debate. It is unfortunate that comments of that kind are used in the House when trying to make an argument, but we have heard it.

My question to the hon. member is in line with the fact that Bill C-113 will stop paying UI benefits to people who quit their job without just cause or because they are fired for disciplinary measures. Here is my question to her. Is this fair for people working and remaining at their jobs to make a living to sustain their family? I refer here to women manning the cash registers in grocery stores or in drug stores, going to their jobs every day and having to put their children in another home so that they can go to work. These people stay on the job. These women have to work on a daily basis. Is it fair that they have to pay unemployment insurance in order for people who quit their jobs without just cause to be able to draw on unemployment insurance benefits?

Ms. Langan: Madam Speaker, the question that comes from the hon. member is an indication of the lack of understanding of what this bill does to women in particular in this country.

"Is it fair for women who have to 'man'." The word nowadays is "staff" a cash register in a department store or other work place. Is it fair that she has to work and put her children in child care? That is if she can get child care. If she cannot, she will be cut off unemployment insurance if she has to quit her job unless she can prove in the regulations that were tabled in this House the other day and out of a document that came from the department that she has tried to get her spouse to take care of the child, that she has gone to her employer and asked for a change of shift, that she has asked the employer for the ability to have work sharing or that she has asked her boss for unpaid leave. If she has not done all of those things and asked for unpaid leave, then she is not eligible for unemployment insurance.

Mr. Langlois: No, no. Wrong. Answer my question. You're wrong.

Ms. Langan: Not wrong. It is right in your own document.

The other point that the hon. member made is that he thought my anecdote was inappropriate in this House. Well, my goodness, it was the truth and I thought that the truth was in fact appropriate in this House. We have had some discussions about that from time to time lately.

The other point that the hon. member made is that it is not fair for people who are working—and here we come into the mentality of this government—to pay UI premiums for those who quit without cause.

• (1700)

If we are talking about the .01 per cent who are in fact found to be abusing the system—.01 per cent is the government's own figure—then we could talk about the 2 per cent, this caused the big debate in committee recently, of members of the opposite side of the House who had been found guilty in the courts.

I think that the hon. member probably should get up and apologize to Canadian women for his total lack of understanding for the kinds of difficulties that Canadian women are facing in this country and their need for unemployment insurance.

Ms. Margaret Mitchell (Vancouver East): I would like to ask my hon. colleague who has spoken so eloquently on this bill and particularly on the lack of justice for women, particularly women who suffer from sexual harassment in the workplace, what she thinks is the reason for having a section in this bill where such women who have suffered from harassment in the workplace could be excluded from their own hearings on this? They could be excluded from giving testimony on their own behalf.

Why is this included in the bill? Does she think that this is just?

Ms. Langan: Hon. Speaker, I wish I could have the opportunity to ask somebody, one person on the other side of the House, that same question.

I think it is important that this question is raised and I thank the hon. member for her question.

Of course it is not just. Have we any courts in this country? I outlined in my speech some of the analogies between a court of law and the UI system where criminals get fairer treatment in a court of law than if one is somebody in this country who is thrown out of work.

Now we have women in this country who have been sexually harassed who do not have the right to appear on their own behalf in a hearing on their sexual harassment. It is absolutely bereft of justice. This government does not even pretend to be a just government when it comes to women in this country.

Mr. Kristiansen: Political fraud.

Ms. Langan: My colleague has said "political fraud" and I think that probably is a good way of putting it. It is absolutely unjust, unfair and unqualified harassment of the Canadian unemployed.

The Acting Speaker (Mr. Paproski): I think at this stage if the hon. member did say something that was unparliamentary I wish she would get up and apologize.

I believe I heard something that was unparliamentary.

Ms. Langan: I do not think what I said is unparliamentary but certainly if I did say something that was unparliamentary I am terribly sorry.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I am very happy to have the opportunity today to comment on Bill C-113. I hope that my comments will clarify the debate and help some groups and individuals who have concerns and questions, to better understand the objectives and the thrust of Bill C-113 which we are debating in third reading today in the House of Commons.

We have to go back to December 1992 and read once again the statement that the Minister of Finance, made in this House concerning Canada's fiscal situation. We must examine in particular the measures which that economic statement would put in place in order to correct the situation. The minister's economic statement had essentially two objectives: first, to put in place measures which would help reduce and control government spending, and second, to introduce incentives for economic renewal and job creation.

• (1705)

The incentives put in place by the economic and fiscal statement of the Minister of Finance were designed specifically to aid and support small and medium-sized businesses in Canada and to allow them to create additional jobs, to diversify their activities and to have access to new markets in order to confirm the already existing jobs and to hire new employees.

We all know very well that for many years now the small business sector has been the one creating the most jobs in Canada. Therefore, in December the Minister of Finance announced that by exempting small businesses and new employees from paying UI premiums for a certain period of time, he would facilitate the creation of new jobs and that is what we are witnessing now.

As I said earlier today, the second part of the economic and fiscal statement was aimed at the reduction and the control of government expenditures since it was realized that federal revenues had been much less than what was expected at the time of the 1992 spring budget.

The finance minister then announced a series of measures including a salary freeze for public servants, a two-year extension of the existing collective agreements and a salary freeze for everyone working here in this House, elected and non-elected, ministers, senators and even the Supreme Court judges.

In his economic statement the minister mentioned also that transportation subsidies, both in the Maritimes and in western Canada, would be reviewed and eventually cut, that tax transfers would be reviewed and that workers who quit their job without just cause or who are dismissed for misconduct would lose their UI benefits.

The second important measure regarding unemployment insurance is the cut in UI benefits whereby the percentage of insurable earnings is brought back to 57 per cent from 60 per cent. It is without a doubt the element of the minister's economic statement which drew the most comments and questions.

In December 1992 the minister introduced Bill C-105 to enact the measures he had announced in his economic statement. It immediately triggered concerns and comments regarding in particular those two measures concerning the unemployment insurance scheme.

I can tell you that after looking at the proposed changes to the unemployment insurance system contained in Bill C-105, members on this side of the House—the group of parliamentarians I belong to—realized that indeed the implementation of the legislation as drafted could have caused problems and led to potentially unfair and unjust situations and could have been a problem for groups in need of UI but who were not targeted by the economic measure.

• (1710)

So, with a group of Conservative MPs who are members of the Quebec caucus, we started working in late January and we reviewed Bill C-105. We held several meetings with officials of the department and with the Minister of Employment and Immigration. Finally, we submitted to the government a series of recommendations for safeguards to protect those who must rely on the unemployment insurance program but for whom Bill C-105 did not provide full protection.

The government listened to our representations and on February 17, 1993 Bill C-113 was tabled in this House while Bill C-105 died on the Order Paper.

The objective of Bill C-113 is essentially the one stated in the economic statement made by the Minister of Finance. However with respect to the UI changes, this legislation provides safeguards for those who rely on unemployment insurance, as I just said.

Therefore the main proposals included in Bill C-113 concern the Unemployment Insurance Act, and I will list a few of those. An important change is that people who quit their job without justification or are dismissed for misconduct will no longer be eligible for UI benefits. This is the basic objective of Bill C-113.

Second, the rate of the unemployment insurance benefits will go from 60 per cent down to 57 per cent of the average insurable earnings for the two years following the coming into force of the legislation.

The Unemployment Insurance Act includes a list of reasons which justify and support quitting one's job. Bill C-113 specifies in more detail these valid reasons, which have gone from five to thirteen, and which may justify a decision to leave a job. These reasons are now listed in the act. They are visible and include some 40 frequent circumstances which will be used by unemployment insurance officers to decide when quitting is justified and when the person who leaves a job and claims UI benefits is indeed entitled to them.

This was one of the concerns we heard when Bill C–105 was introduced so we corrected the situation with Bill C–113. This bill now offers more protection and safeguards to those who will claim UI benefits.

Earlier I was listening to the comments made by the hon. member for Mission—Coquitlam, who referred to the case of a person forced to leave her job to look after her child. This is a just cause. The act clearly states that a person, man or woman, who must leave an employment to look after his or her child is automatically eligible for UI benefits. It is spelled out in the legislation. If you do not see that you just do not want to see reality. This person has a valid reason, and so does a person who is forced to leave a job to look after a family member who is sick and requires care at home.

A person who leaves a job because he or she has to accompany a spouse who takes a job in another city also has a valid reason.

There are a whole series of valid reasons now covering 40 different scenarios and giving added protection to those who must rely on the UI program in these circumstances.

A lot has been said about sexual harassment. From the time that Bill C–113 is passed by this House and receives royal assent, after consideration by the Senate, anyone who goes to an unemployment insurance office and says that they had to quit because of sexual harassment will automatically be eligible for UI benefits. The person who fills this statement and claims UI benefits gets the benefit of the doubt. That is how the law works. That is how Bill C–113 protects workers who are forced to quit their job because of sexual or any other harassment, whether it has to do with the colour of their skin, their religion or whatever. Much better protection is afforded to claimants under Bill C–113 than the present program.

• (1715)

Now regarding those who have to claim UI because they have been fired, where the ground for dismissal given by the employer is "disciplinary action"—it can cover a whole range of reasons, but let us stick to "disciplinary action" for the sake of argument—again, the person who reports to an unemployment insurance officer to claim UI benefits after his or her employment was terminated by disciplinary action gets the benefit of the doubt. With Bill C–113 the unemployment insurance officer is now required to ask the employer to prove that the grounds for dismissal are valid, justified and that there was just cause for dismissal. Where the employer fails to provide such evidence, the claimant is indeed entitled to UI benefits. This is an additional protection provided in Bill C–113 to prevent the kind of abuse we talked about when I met with groups of construction workers.

Several days in a row, unemployed construction workers from Sept-Îles showed up at my office. I had the pleasure to meet with them, chat with them and listen to their concerns and apprehensions. I was told it was common practice in the construction business to terminate construction workers' employment on the grounds of "lack of productivity".

At present there is very little construction workers can do because a 7 to 12 week penalty applies under the present program. Workers tend to take the 7 to 12 week penalty, after which time they receive benefits at a 50 per cent rate, that is to say half of what they would get under other circumstances. With Bill C–113 however, the same worker can go to the unemployment office, state the reason why he or she was dismissed and when it happened, and the Unemployment Insurance Commission officer then has to ask the employer to prove they did so for cause. Otherwise, the claimant immediately gets UI benefits at the rate of 57 per cent. This is one way the program was improved by Bill C–113.

Construction workers told me that employers in the construction business were regularly making that type of lay-off. They said they were worried that after the employee had taken his case to the board of referees and had had to wait for three or four months, finally the employer would not appear before the board to testify about the lay-off. The claimant would be eligible, retroactively, of course, to his unemployment benefits, but he had to go three to four months without an income.

Construction workers asked me if the legislation could not provide some form of penalty to prevent and stop that and also to force employers to appear and testify and to think carefully before issuing a lay-off notice for lack of productivity or whatever.

We looked into that concern and even if that change is not included in Bill C–113, which is a fiscal measure that does not deal exclusively with changes to the unemployment insurance system, I can tell you that representations have been made to the minister himself and people who work with him and people from the department. We are examining the possibility of including in the Unemployment Insurance Act a provision or a change which would force the employer to prove that the lay-off was justified and to penalize him if he does not appear. We are looking at that and we are certainly going to pursue that issue very diligently.

• (1720)

The other alternative the government had, instead of bringing those changes to the unemployment insurance program in order to disqualify from receiving benefits people who voluntarily leave their job or are fired because of disciplinary measures and to reduce benefits from 60 to 57 percent, was to raise UI premiums paid by employers and workers.

Credible studies have shown that every time UI premiums are increased by 1 percent or 20 cents, Canada looses 20,000 jobs the next morning. Consequently, that alternative was immediately rejected because UI premiums had been considerably raised not so long ago, last year if I remember correctly. It would have been unreasonable and disastrous for the economy to raise UI premiums paid by employers and workers to enable those who voluntarily leave their employment without just cause and who are constantly fired to receive UI benefits, to take advantage of a system which is truly an insurance program, a program which will help people who are looking for a job or are temporarily laid off for different reasons. It was more equitable, in my opinion, to proceed this way instead of raising premiums one more time.

Another point which was raised, and it is important to mention it, has to do with the case where a firm is forced to streamline its operations and offers early retirement to its employees. If we apply today's UI rules, it would be difficult for these employees to receive UI benefits. Bill C-113 corrects this situation because it now provides that if a firm has to streamline operations, to take downsizing action, to lay off its workers because of a work shortage, the employees affected are automatically entitled to UI benefits. It was recognized and agreed that when older workers accepted the pre-retirement package offered by the employer the benefits attached to it were agreed upon at the time of their employment. When the benefits run out these people can say they are available for work and claim UI benefits. They will be eligible for benefits.

This is another major provision that was included in Bill C-113. Again it is providing better protection for the workers who must avail themselves of the unemployment insurance program, these people who through no fault of their own have to rely on this insurance plan. These were the comments I wanted to make on Bill C-113. While Bill C-113 puts financial constraints on many citizens of this country, it is nevertheless necessary. This important bill is also fair to those it applies to.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I listened with interest to what was said by the hon. member for Manicouagan. I would like to ask him a question about the unemployment insurance system.

Our ridings both have a very high unemployment rate, and I am sure he shares my concerns in this respect. He is of course aware that the present system penalizes workers who quit without just cause. He is aware that with Bill C-21 the penalty was increased from seven to twelve weeks. He is also aware that with Bill C-113, in a region with a very high unemployment rate, there is a choice to be made by the employer faced with the decision to terminate an employee and by the member of the board of referees. He either has to agree there is just cause after a lengthy appeal process or uphold the decision of the unemployment insurance officer.

I want to ask the hon. member to try and explain or justify his government's policy which aims to change the unemployment insurance system and already provides very severe penalties for persons who quit their jobs without a valid reason.

• (1725)

In this case I am not referring to any of the circumstances listed in the bill, which were put there thanks to pressure from his colleagues, the unions and other people across this country. However, considering that we already have fairly severe penalties, could he explain the government's decision to give these officers a choice, as indicated in the legislation, of a range of options that reflect far more specifically all the circumstances that may influence a person's decision to either keep a job or quit, and in many cases are a necessary evil since a mobile labour force may be desirable to keep the economy and the labour market running smoothly? Often jobs and people are mismatched. Some people are really not suited to certain jobs. However, in the legislation it is all or nothing for the employer who is faced with the decision he has to make and all or nothing as well for the person who may be unemployed and does not want to accept a job because—

[*English*]

The Acting Speaker (Mr. Paproski): Will the hon. member now put the question.

Mr. LeBlanc (Cape Breton Highlands—Canso): I am asking the question, Mr. Speaker. I think the hon. member knows the question. I am asking him to explain the change his government has put in that provision on voluntary quits.

[*Translation*]

Mr. Langlois: Mr. Speaker, the present Unemployment Insurance Act provides five cases—and it is right in the law—which are considered valid reasons for quitting one's job. As I just said, they are: being required to move somewhere else; going to live in another place with one's spouse; looking after a child or someone in need; and sexual, racial or other kinds of harassment.

In our discussions we learned that unemployment insurance managers referred to 40 other cases available to them which arose from arbitration or court decisions. Managers used them at will to honestly say that so-and-so was justified in leaving his or her job.

• (1730)

Bill C-113 includes these 40 cases under 13 reasons. The law gives additional protection which is visible and requires managers to refer to it when the time comes to decide whether someone quit or left a job for a valid reason. In all honesty, to respond to the apprehensions of the member for Restigouche—Chaleur, I must say that Bill C-113 improves the system from what exists now. It requires UI managers and people who study claims to consider these points because they are now in the act.

The thirteenth point reads "any other cause to be determined" or something like that. Of course this makes it possible to add other reasons which come from the decisions of tribunals or arbitration boards.

I find Bill C-113 a tremendous improvement. If someone cannot show that he left his job for a valid reason, using one of those 40 points, then he had no valid reason for quitting. The penalty provided in Bill C-113 will a apply and that person will not collect benefits.

Remember one thing. That person is not banned for life from UI. If he finds another job and works 20 weeks he can be eligible for unemployment insurance after completing 20 weeks in another job. In that way, I think that the system is flexible and gives people access to unemployment insurance in case they need it because their job ends. In that case, the reasons for applying for UI are clear, especially if the job ended.

Therefore, to answer the question of my hon. friend from Restigouche—Chaleur, Bill C-113 gives additional protection, especially in regions like ours, to people who have seasonal jobs. Knowing how industry works in our regions, I think that Bill C-113 adds more protection for people who must use unemployment insurance.

[*English*]

The Acting Speaker (Mr. Paproski): I have two minutes left.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I have two very brief questions to ask the hon. member. First of all, I would like to ask if he believes that it is right or fair that a woman who has been sexually harassed be excluded from her hearings. The hon. member for Terrebonne said that there was precedent. The precedent happens to be the military, which has the worst record with the Human Rights Commission. I ask the hon. member, is that the kind of precedent we want to use and is it fair to exclude women from their hearings?

He has outlined the cost savings in his view to the government. Could he outline the staggering social costs to all taxpayers excluding people who are legitimately unemployed from the unemployment rolls? What will this cost?

Mr. Langlois: Mr. Speaker, the first question put by the member for Mission—Coquitlam refers to a woman who has been harassed, sexually or otherwise, being excluded from the hearing. I have to tell her very honestly that as far as unemployment insurance is concerned, I do not think that is the case. I may be completely wrong.

If a person goes to the unemployment insurance office to apply for unemployment insurance and she gives sexual harassment as the reason for quitting her previous job, she simply fills out the form and she is referred. She is even able to have her case heard by a person of her choice in the unemployment insurance office. She fills out the form and then automatically has the benefit of the doubt.

• (1735)

It is up to the employer and the employer may be called, but in the case of sexual harassment it is quite clear that the person has the benefit of the doubt.

An hon. member: No.

Mr. Langlois: Yes, she has.

As for the other question she put about social cuts, I have to tell her that the unemployment insurance system is an insurance system. It is not a social benefit system. It is an insurance system to which the employers and employees contribute to make sure there is money available when people lose their jobs and need to apply to the unemployment insurance system. It is not a social benefit program. It is an insurance system and should be treated as such.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I will be sharing my time with the hon. member for Stormont—Dundas.

I would also like to say a few words about this legislation, an act to provide for government expenditure restraint. I want to focus my remarks on the features of this legislation that bear upon the unemployment insurance program, specifically those that would cut the rate of UI benefits from 60 per cent to 57 per cent and those that would deny benefits to those claimants who, in the words of the UI act, quit their work without just cause.

To begin, I want to say that I am not any more impressed with this legislation than I was with its ill-fated predecessor. I am not going to focus, as others have done, on the definitions of just cause and the problems of litigation that will befall the unemployed person who seeks to be considered under one of the 14 categories of exception provided for in clause 18 of the bill. That does not mean that I do not consider these issues to be important. I do. However, in the short time available to me I would like to address other ways in which I believe this legislation is misguided.

I noted that these changes in the UI act are being introduced by the Minister of Finance as measures to contain the deficit and maintain an environment that supports economic growth and increased employment.

Once again the Tories have chosen to ask those that are the main victims of the recession, the unemployed, to bear the burden of expenditure restraint, while at the same time they enact other measures that allow the wealthy to continue to escape paying their fair share of taxation and contributing to deficit reduction.

My problem with Bill C-113, as well as with Bill C-21 of two years ago and the other changes that this government has made to the UI program and related legislation, concerns the government's failure to address the fundamental changes that need to be made to this program and to other programs in order to enable Canadians to adjust to the free trade environment in which we now find ourselves and to make our economy and its most precious asset, namely our people, more competitive in the next decade.

I want to talk about not what this government does with Bill C-113 but what it fails to do. These points are important to make in this debate as this legislation comes from the Minister of Finance and flows from his mini budget of last December.

The pain of this recession and the many human tragedies it has exacted has been exacerbated by the failure of this government to put in place, as the Prime Minister promised during the last election campaign, a comprehensive and coherent program of adjustment policies to deal with the fall-out of the FTA and to prepare Canadians for the future.

This is one of the great failures in the economic policy of this government. Its human costs are incalculable and will be felt and borne by millions of Canadian families for years and generations to come.

These costs are every bit as important and are quite linked to the cost of the growing and worrisome Canadian debt. If the Canadian economy does not respond to the profound changes that have taken place around the world, in order to be more flexible and be able to respond, we will fall further behind. We will deal with the problem of higher than acceptable unemployment for years and years to come.

• (1740)

As many studies have shown over the last five years, there are many aspects of the Canadian income security system and economic policies that inhibit the flexibility of the Canadian economy. These policies have contributed to a slow-down in productivity, which has contributed to a slow-down in the adjustment of labour, markets and businesses from low value-added to high value-added industries. It has made it more difficult for Canadians to respond to the new challenges created by the more globalized trading system, by the shift, in terms of what used to be the comparative advantage of Canada, from resource industries into more knowledge-based and high-tech industries.

The failure of Canadian policies to prepare Canadians for that is what will really force us to pay in the future a much higher price of unemployment than we needed to.

Central to these programs of adjustment policies is a proper reform of the unemployment insurance system and the companion set of policies that are needed to support Canadians to adjust out of declining industries and employment opportunities and into the emerging and growing opportunities that will be there in the future.

Like many other Canadians, including many in Atlantic Canada, I believe that a proper reform of the UI system in the context of a comprehensive labour force adjustment strategy is long overdue.

We watched with great interest the refreshing debates that took place south of the border during the midst of the last presidential election campaign and some of the new ideas that have been brought forward by President Clinton, the new American President.

What has been most refreshing in this debate is the new President's grasp and understanding of some of the new concepts and the need for the appropriate incentives, I mean carrots as well as sticks, as a means of encouraging and empowering individuals to use their talents, their skills and their economic resources in the most productive manner.

The notion of appropriate incentives underlies many of the ideas that President Clinton and Vice-President Gore brought forward and are now putting into legislation in the United States as they seek to bring their economy back into recovery. It underlies such concepts that have been discussed as work-fare and learn-fare as opposed to welfare and some of the other more stagnant forms of social assistance programs.

This notion of appropriate incentives to empower individuals is something that is missing in this legislation in what it does to the UI program and in other legislations that this government has introduced. In fact it has failed to understand these important lessons of empowerment and incentives in the design of its programs.

I want to use the example of the measures regarding voluntary quits just to make my point. The government talks about abuse and says that it has to root out abuse and that those who quit their jobs without just cause are abusing the program and must be denied benefits.

A distinction has to be made between abuse and disincentives as these terms concern the UI program. This government thinks the problem with UI is that it is being abused by individuals such as those who leave their work without just cause. In other words it is the individuals who abuse the program, and sure there is abuse. In a program that is of the size and complexity of the UI program there are going to be instances of abuse, but the program has rules and systems to deal with that.

• (1745)

I will have to terminate more quickly than I expected. Let me just come to my conclusion. The problem with the UI system, which is missed in this bill, is that it is not the abusers who are costly to the Canadian economy. It is the wrong incentives already embedded in the program which are leading Canadian businesses and individuals into choices they would not make if the program was properly designed.

This is a subject that I will return to. I think it is an important one which has been missed in this debate. I would now like to turn over my time to my colleague, the member for Stormont—Dundas.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, I welcome the opportunity to take part in the debate today on Bill C-113, an act to provide for government expenditure restraint.

The objective of the omnibus bill is to implement the various expenditure restraint provisions which were outlined in the economic statement of the Minister of Finance on December 2, 1992. Included in these measures are several controversial changes to the unemployment insurance program.

I would like to concentrate my remarks on part VI of this bill as it is this section that deals with the proposed changes to the UI program.

Like its predecessor Bill C-21, part VI of Bill C-113 continues the government's attack on UI and unemployed Canadians. Instead of concentrating on the root problems which have led to 1.6 million Canadians being out of work, the government has opted to intensify its assault on the UI program.

As a result of the government's own economic mismanagement, Canadians are witnessing high unemployment rates, plant closures, bankruptcies, lay-offs and downsizing on a scale never before seen since the Great Depression.

Contrary to what the government would like us to believe, Canada is still not out of the grips of the recession. Yet instead of addressing the economic problems of the country, the government is promoting its right wing, Reform Party-driven agenda by attacking UI.

Mr. Speaker, 2.6 million Canadians are on welfare, 3.8 million live below the poverty line and over 2 million rely on food banks. Yet in an almost frenzied state to correct its failure to address the deficit, this government has turned its back on these Canadians and has set its sights on the unemployment insurance program.

The proposed changes to the UI Act contained in Bill C-113 have serious implications for many Canadians. In clause 17 of this bill the UI benefit rate is reduced from 60 per cent to 57 per cent. In addition, clause 18 provides for the disqualification of those who quit their jobs without just cause or are fired due to their own misconduct. Unfortunately there is no clause in Bill C-113 that will do anything to help unemployed Canadians find work.

The city of Cornwall in my riding of Stormont—Dundas has an unemployment rate of over 20 per cent. The plant closures, lay-offs, business bankruptcies and increases to the welfare rolls have become almost commonplace.

The lack of economic leadership from the federal government, the impact from the recession, the previous high interest rate-high dollar policy of the government and the fall-out from excessive taxation including the GST have contributed to the economic disintegration of this border community.

I would like the government to go into Cornwall and tell the people there that the recession is over, that the more than 2,000 jobs lost over the last 20 months will be returning and that while they are waiting they can rely on unemployment insurance to see them through.

Under Bill C-21 workers who lost their jobs obtained less benefit coverage even though they were made to pay more in UI premiums. With Bill C-113 UI benefits will be reduced 3 per cent. Thus we can see the continuation of this government's attack on the UI program, a continuation of the pay more for less Conservative approach to unemployment insurance.

It was not enough for the government to withdraw from contributing to the UI fund while at the same time reducing the benefit period and raising UI premiums. The government now wants to reduce the percentage of benefit unemployed Canadians will receive.

• (1750)

How much further will the Conservatives go? Perhaps they would like to eliminate the UI program altogether.

The government justification for implementing these changes to the UI program are not defendable. The government says that changes are necessary to stop those lazy shiftless Canadians who quit their jobs and expect to be supported by hard-working responsible Canadians.

In listening to the government, you would think every Canadian on UI was on it because they quit their job or were cheating the system and taking it for a free ride. The truth is the government's own estimates indicate that only 6 per cent of UI recipients actually left their jobs without just cause or were fired for misconduct.

While no one condones cheating or unnecessary quitting, the changes in this bill are designed to catch 6 per cent while 94 per cent of UI claimants end up with reduced UI benefits. Moreover, those who quit their jobs run the risk of losing their benefits entirely if they cannot satisfy officials that they had just cause. It is clear that in reducing benefits the government is cutting the UI program simply for the sake of it.

There is no all-encompassing vision in Bill C-113 of what the UI program should be doing, nor is there an effort being made in this bill to truly reform the UI program so it can better meet the needs of the unemployed.

In 1990 when the Conservatives introduced Bill C-21, thousands of Canadians were thrown into poverty and on the welfare rolls. The percentage of unemployed workers covered by the UI program dropped from 70 per cent to 58 per cent. If the proposed changes in Bill C-113 become law, unemployed Canadians who are not eligible for UI will also be left with little choice but to turn to an already overburdened welfare system.

The opposition against Bill C-113 and its short-lived predecessor, Bill C-105, indicates that Canadians do not support the government's assault on the UI program. Many Canadians feel the proposed changes are obstacles to people who may be forced to quit their jobs because of harassment or are fired for arbitrary reasons.

Bill C-113 fails to correct the flaws in Bill C-105 with respect to just cause for quitting one's job. While definitions of what constitutes just cause are enumerated in the bill, Canadians will still have to prove that they were justified in quitting their jobs. This process will not only be time consuming, it may also be difficult to endure, especially in cases where people quit their job due to sexual harassment.

Furthermore, individuals who claim they left their jobs due to sexual harassment may find that proving such harassment took place to be quite an undertaking. Many individuals, rather than pursue their case, may choose instead to work under harassment rather than quit. Even worse, they may decide to leave their job and be denied UI benefits entirely.

Bill C-113 does not improve the UI program. It forces claimants to prove that their quitting or firing was either justified or not due to their own misconduct before they can receive UI benefits. Claimants will be considered guilty until they prove themselves innocent.

The restrictive nature of the proposed changes will cause numerous appeals which in turn will create a backlog in cases and, consequently, delays in processing UI benefits. This is hardly an example of UI reform. Moreover, there will be cases where legitimate claims will be rejected and individuals who were fired without appropriate reasons will end up without any benefits.

Rather than be preoccupied with the UI program, the government should be addressing why Canadians require UI in the first place. Canadians do not want to be on UI. They want to work. Job creation, skills development, investment in education, research and development is what Canadians want to see their government take action on.

In conclusion, I urge members of this House to reject Bill C-113. Hopefully the government will then reassess its priorities with an aim toward getting Canada and Canadians working again as my colleagues and I in the Liberal Party are committed to doing.

Mr. René Soetens (Ontario): Mr. Speaker, I welcome this opportunity to participate in this debate on the third reading of Bill C-113, an act to provide for government expenditure restraint.

This bill seeks to implement a number of restraint measures that were announced by the economic and fiscal statement tabled by the Minister of Finance in this House last December. Let me make it clear that the measures in his legislation were not introduced without careful consideration of their impact. We have put them forward because we are determined to strengthen the economic recovery now under way in Canada.

• (1755)

We are not cutting for the mere sake of cutting. We are taking these steps because deficit control is essential. It is the very foundation for Canadian investment, competitiveness and job creation. Let me remind the House that Canada is making progress in these areas. Even though too many Canadians are still unemployed, we are encouraged by the positive signs of the recovery that are visible in almost all sectors of the economy. However, the economic recovery we are experiencing here in Canada has been hampered by a very difficult global environment in which we find ourselves.

Economic activity in major industrial countries worldwide has been held back by corporate restructuring, trade uncertainties and certainly high levels of debt. The weaker than expected economic growth that we have seen in Canada has resulted in the revenues that the government has anticipated being less than they would otherwise have been. This in turn has led to severe pressure on our deficit. As a consequence we must take some very strong measures to keep our fiscal situation under control. Sound fiscal policies are essential if we are to maintain economic growth that secures existing jobs but, more important, creates new ones.

In that December economic statement, the Minister of Finance outlined many steps the government is taking to assist the economic recovery now under way and to foster even stronger growth. Some of those included measures to stimulate job creation, especially by the small business sector; enhanced support for research and development, enriching what is already one of the most generous programs in the world; continued action to encourage exports through improved access to foreign markets and measures to improve Canada's competitiveness internationally; increased funding for worker training, coupled with measures to foster joint efforts by government, business and labour to make learning and skills upgrading a lifelong priority for all Canadians; and of course additional support for strategic investments in Canada's infrastructure.

We cannot make these important investments in our economy if the costs involved cause the debt to grow out of control. We cannot simply say "charge it" as we would hear from members opposite and make no provision to pay for the actions that we are taking. As the events of recent weeks have shown and certainly with some recent budgets in provincial capitals, governments across Canada are starting to realize and are aware of the debts that they hold and the problems that those debts cause and, more important, that the deficits fuelling those debts must be brought in line. They are a continuing burden to the economic growth and job creation.

For our part, the federal government has worked to put this country's finances back in order ever since we came to office. Certainly in the four and a half years I have been here we have been very involved in a number of steps to try to do that. We have taken some very difficult steps. We have curbed the growth of program spending. We have privatized Crown corporations. We have passed the Spending Control Act and implemented the debt servicing and reduction account, making fiscal responsibility part of federal law. During our hearings across Canada on the GST, certainly that is what Canadians said: put in place a spending control act. We did that.

Given the impact that our declining revenues are causing at the moment and the weaker than expected growth experienced both here and around the world because of the recession, we must do more to restrain and reduce the deficit. There are two clear reasons why we have to take action to limit our fiscal shortfall.

First of all, higher deficits will damage prospects for sustained recovery. Growing deficits compete with productive private sector initiatives for the limited investment funds available in this country. This puts upward pressure on domestic interest rates and forces domestic borrowers to seek funds abroad, thus increasing the nation's indebtedness to foreigners. As a consequence, the country is left more vulnerable to exchange rates and interest rate volatility. We have certainly experienced some of that over the last year.

Second, if we fail to act now we will have to deal with even greater deficits in years to come. Bringing the fiscal situation back into balance will exact an even more painful price from Canadians at that time. That price could be higher taxes reducing our competitiveness and our ability to create jobs. The alternative to spending restraint, the imposition of higher taxes is not, and I have to repeat, is not a solution. Clearly then the most responsible avenue of action is to further constrain government spending.

• (1800)

The measures we have included, including those implemented by this bill, will reduce spending allocations by some $8 billion over the three-year fiscal period ending in 1994–95. This will bring about a significant reduction to the structural component of the deficit.

I would like very quickly to run through some of the things in this bill that make it worthy of support by myself and my colleagues on this side of the House and should in fact be supported by colleagues on the other side of the House.

There has been a lot said about this bill as it relates to unemployment insurance. Let me talk about some other things in the bill that are very important. Part of the bill deals with implementing wage restraint. Certainly, as is happening with this bill, the salaries of members of Parliament and salaries of senators are being frozen for three years. The salaries of judges and employees in non-commercial corporations are being frozen for two years.

The salaries of the Prime Minister, the cabinet, the Deputy Governor of the Bank of Canada, the Governor General, and lieutenant-governors across the country are being frozen and I think most appropriately.

Public Service salaries will be frozen for two years. Those who are under contract will simply have the contract extended. If they have signed one last year which goes for three years the contract will be five years in length. The government has said that if there are non-monetary issues that can be agreed upon by the parties involved, namely the union and the people it represents, the government will be happy to amend the various contracts to deal with non-monetary issues.

Within this bill are serious steps on wage restraint. Why do I support wage restraint across that sector? It is really quite simple. I have 200,000 constituents and very few of them got a raise last year. Very few of them expect to get a raise this year and very few of them expect to get a raise next year. It seems to us, when my constituents cannot afford to pay more taxes, there is no reason they should have to pay more taxes because we have given raises to people who are not operating in the private sector. We will be imposing upon ourselves the very thing that my constituents are having imposed upon them because of the situation within the economy.

Another step we are proposing which I certainly have no hesitation in supporting is the transportation subsidy cut. We provide assistance through the Western Grain Transportation Act for grain shipments. That will be reduced by 10 per cent a year for two years. The Atlantic Region Freight Assistance Program will be cut by 10 per cent and the Maritime Freight Rates Act will be cut by 10 per cent.

During the committee process that dealt with this bill we were advised there was another way to amend the Atlantic Region Freight Assistance Program. I am happy to see the government was able to meet with the people affected and bring forward in this House through Committee of the Whole some amendments to the legislation which accomplished what the government was trying to accomplish in the way of a 10 per cent reduction in over-all expenditure. It was more acceptable the way it was done than the way it was originally proposed by the government. We were able to take input and change the legislation appropriately.

Another reduction that appears in this bill is the public utilities income tax transfer. This is a transfer from the federal government to the provinces for utilities such as electricity and gas transportation across Canada. In a sense it is from the income tax received from those public utilities. We will be reducing our transfers to the provinces by some 10 per cent per year. Again I think that is very appropriate. We cannot simply hand out money all the time. It is time we started reducing some of these handouts on a very consistent basis.

The final part of this bill deals with the unemployment insurance. There have been lots of comments by members opposite about what is in this bill. I would like to comment very briefly on some of the reasons I have no hesitation in supporting this bill. Much the same as I said before about the fact that we were freezing the salaries of many people involved in the public sector by this particular piece of legislation, we are freezing the unemployment insurance benefits received by those after April 1 of this year. The reason we are freezing the benefits is the same logic as I gave before. None of my constituents is going to get an automatic raise early in April. I would question why those on unemployment insurance should expect an automatic raise in April. This takes away the automatic 3 per cent raise they were to get and freezes their benefits. I do not have a problem doing that at all. I would love to be able to give a raise to those who are on unemployment insurance, but the economic circumstances of the country say that we cannot give them a raise. The reason for that is that the taxpayers of my constituency cannot afford to pay any more. That is very important.

• (1805)

Tied to a freezing of benefits is a freezing of the premiums paid by my constituents personally or by the employer for their benefits. Not only are we freezing the amount of money we are paying out at last year's rate or at the 1992 rate, we are freezing the amount of money we collect from the employees at the 1992 rate.

If I ask my constituents whether they are willing to pay more in unemployment insurance premiums so that those on unemployment insurance get greater benefits, there is no hesitation in my mind what they will say: "No, I am not prepared to pay more. I didn't get a raise. There is no reason they should get one". That is also part of this particular piece of legislation.

There is some additional encouragement for job creation in this legislation. The premium holiday for small business is a very important step. A small business hiring more people does not have to pay any more premiums in the first year than it paid last year for that increase in employment. It is a small benefit, but it is an extra lift for employers in a position to hire more people. If one is creating a new small business one does not have to pay any unemployment insurance premiums in the first year.

Is that not a positive step to encourage job creation? Of course members opposite are opposed to this legislation and these ideas. I guess they can account for why they are.

There are a few extras in the legislation I would like to talk about. It happens that there are people on unemployment insurance receiving benefits. To help those people get back into the work force the government has announced a $260 million increase in training funds for those on unemployment insurance. That is a significant increase and takes the total for UI claimants up to $2.21 billion for the coming year. We add to that another $1.6 billion the government pays out to those who are unemployed but not receiving UI benefits.

This shows that the Government of Canada has come to the taxpayers of Canada—the government does not have any money; its source of money is the people who are out there listening to me speak today or working on a continual basis—for $3.8 billion in training funds. I do not have any hesitation in saying the training funds will get people back into the work force much more quickly.

The item that received an awful lot of comment was the one related to benefits for voluntary quitters. During the committee process in which I was involved it was brought to our attention some 225,000 voluntary quitters a year will be affected by this legislation.

In the circumstance of unemployment in the country over the last few years there are 225,000 people who quit their jobs for no reason and expect—and the opposition would give it to those people—unemployment insurance benefits. Why? It is beyond me. What did that cost us last year? One billion dollars for the year. Where did we get that $1 billion? We borrowed it or we increased premiums from those people who are working.

We have heard terrible examples of how some person may be forced to quit a job and have just cause for doing so. I believe the legislation adequately protects people who have just cause for quitting, but can we imagine the circumstance the opposition has been supporting? An employee shows up for work in the morning. He decides he has had a miserable night the night before and, to make up for it, smashes all the computers in the office. The employer shows up and says: "My goodness, isn't this an awful thing you have done? You have destroyed all the equipment in our office. You are fired".

• (1810)

The opposition wants to pay those people unemployment insurance. The employer says that the employee is fired for cause and there are no benefits; that is exactly what he deserves. However those people opposite are happy to say there should be a penalty because he was fired and instead of giving him 60 per cent of the benefits he should only get 50 per cent of them. The employer says the employee who got fired because he justly deserved to get fired should get zip from the unemployment insurance account and zip from the taxpayers of the country.

I am happy to say the legislation ensures that those who voluntarily quit their jobs or those who were fired because they deserved to be fired will not get benefits under the program. Do we have to do that?

In closing I would refer to an article in *The Montreal Gazette* of February 23. It is headlined Canada faces ruin if UI deficit not limited. That is a statement by Mr. Forget. I would just like to read three paragraphs of it if I have the time to do so.

> "Canada might have to go to the brink of economic ruin before its leaders make the hard choices needed to rein in the growing unemployment insurance deficit", a Quebec economist said yesterday. "The government's proposed changes to the Unemployment Insurance Act amount to little more than tinkering on the margins"—

That is certainly not what we would think the opposition would say we were doing:

> —said Claude Forget, a former Quebec cabinet minister who headed a 1986 federal inquiry into unemployment insurance.
>
> This country is at most maybe three years away from a major financial crisis. It may well be that the sort of thing that we would need to do to avert a crisis is look at UI in a fundamentally new way, said Forget. Forget said taxpayers might have been lulled into a false sense of security by borrowing binges at all levels of government and don't see a need to force politicians to reinvent the UI system. There is no belief among the public at large that this is an urgent issue. We presumably will wait until it is too late.

I am here and I am glad to say we are not waiting. We are acting because that is exactly what we should be doing.

Mr. David Kilgour (Edmonton Southeast): I have a question, Mr. Speaker. I wonder if the member watched the CTV program W-5 on New Zealand. Figures were provided in the program indicating that when New Zealand went into basic collapse in 1984 its all-government deficit was 7 per cent of its gross domestic product. Its accumulated government debt was 62.7 per cent of the New Zealand gross domestic product and its net public, private and foreign debt was 47 per cent of its gross domestic product.

Today, after eight years of talk about the deficit and the debt from those opposite, including the member, the budget deficits of all levels of government in Canada—and the federal government cannot be responsible for provincial governments debts—last year was 8.5 per cent of our gross domestic product. Our accumulated all-government debt, which is about $650 billion, was 44 per cent of gross domestic product. Yet the spendthrifts opposite want to spend $6 billion buying the Rolls-Royce of submarine chasing helicopters.

Will the member attempt to justify to anybody who might be watching this debate how he can talk about trying to cut back on spending? They have run up the spend and borrow philosophy like Ronald Reagan in the States. The debt managed to increase over his period in office and Mr. Bush's period in office by $3 trillion.

Will the member tell us in terms of actions rather than very cheap talk in this place where the actions and the words have been in the same direction from this grossly irresponsible government? Does it have no sense of responsibility to our children and grandchildren? Or can its members only get up as they have in the past nine years and speak about how we are going to fight the deficit and the debt next year but never this year.

• (1815)

Mr. Soetens: Mr. Speaker, I did see the show the member is talking about and was appalled at the problems New Zealand had. He was absolutely right in saying that in New Zealand the percentage of deficit and debt as they relate to their gross national product was increasing.

I am happy to say that in the eight years we have had a Conservative government in Ottawa our share of that debt, as a percentage of the gross national product, if he accepts that provincial debt and municipal debt is not the responsibility of the federal government, has in fact dropped from about 8.2 per cent to about 6.1 per cent. We have been doing exactly what we should be doing.

The member failed to mention that New Zealand, in order to help solve its problems, made some tax changes and brought in a value-added tax. I might point out we brought in a similar tax and this member walked away from the party that was taking very responsible action because he did not have the guts to take the actions that were necessary.

He asks what actions have we taken to cut spending. Let me ask that member what spending restraint measure, what cut that this government has made in eight years has that party opposite supported? Has it ever agreed with any of the cuts? Has any of its members stood in this House and said once that it is a good cut, it is one they can support?

I challenge the Liberal Party and in fact the NDP to indicate just one program of restraint they have supported. I think the member will find that these people opposite cannot do that.

We have cut defence spending, the very thing the member is asking about. If he checks the actual spending estimates for this year he will see there are savings in those estimates. Part of the reason we are able to save is because we are pulling back our obligations in Europe which is a very constructive thing to do. We are also cutting back in some areas so that we can say to all our armed forces personnel that this is their budget, this is how much money they have to spend, and if they want modern equipment, then they will have to show where they can save money in order to spend money.

The member opposite would say to those people that they have been shown where money can be saved but their opportunity to have modern equipment will be cancelled. Our men and women, those who serve you and I and all Canadians, will be forced to work with 40 and 50-year old, ancient equipment which in its own right is not safe.

That is the view of the Liberal Party. That has been the view of the Liberal Party from the day that Pierre Trudeau took over through to today. From 1967 through to 1984 they decimated the equipment that our Armed Forces have. The Liberal Party of today would carry on that decimation until there would be no longer an Armed Forces that could do a darned thing for this country.

Mr. Kilgour: The member seems to forget, Mr. Speaker, that the member for Calgary Northeast and I were expelled from the party. We did not walk away. Our chairs were virtually moved across the Chamber.

Perhaps the member will explain the New Zealand tax system to his colleagues sitting nearby. I suspect I know more about the New Zealand tax system than he does. Will he tell us how the income tax and the sales tax were implemented? Does he think they were done identically in Canada and New Zealand? Has he talked to Roger Douglas about it? I know he was on the committee. I know he came to Edmonton, Mr. Speaker, your city and mine, and would not let a lot of very thoughtful people even speak to the committee.

I know the member's caucus quite well and I do not think there was any intelligent discussion on what the GST would do to Canada at this time in our economy, what it would do to the small business community, what it would do to the member's constituents. I do not think any of them, or very few of them, understood it from the beginning. They just went along like so many robots following their genius, the former Minister of Finance. With respect, I do not think he understood it at the time nor does he understand it today or the havoc it is wreaking from one end of the country to the other.

• (1820)

Mr. Soetens: Mr. Speaker, the member is right, he was expelled and deservedly so. The reason deservedly so is because he did comment about the fact that there was lack of intelligent debate on the matter. As someone who was on the committee for the entire year and a half dealing with this matter, I must admit I do not recall him appearing and providing that intelligent input that he thought was appropriate.

I can comfortably say that the reason we implemented the GST was many fold, but certainly one of them was because we had a regressive sales tax regime in place that penalized the manufacturers in my constituency and other constituencies in Canada. We said that if we got rid of this old federal sales tax we would make our manufacturing sector more competitive. We would be able to assist them, because of that competitiveness, in exporting more product out of Canada.

Is it not interesting that we are now setting records month in and month out. Our exports are record. What are they record in? In manufactured goods.

If the member says that this was terrible implementation of a tax, of course from his philosophy any positive steps are terrible implementations. From our side of the House, assisting manufacturing so that they can export more out of this country or be more competitive with imports is a very positive thing to do. We did that.

I am happy to say that this party will take the tough decisions that that party over there has run away from for all the years that it has existed since 1967.

Mr. Maurice Foster (Algoma): Mr. Speaker, I must say I have listened to the member for Ontario with great interest. I do not think he has proven very much of anything with all his comments about how the government is taking tough decisions.

It would seem to me that if the government was taking tough decisions it would not be taking them against the unemployed. It would be taking them against a theoretical thing like the helicopter project. The cold war is over. We do not need the same kind of armaments and equipment that was needed during the cold war, yet here is a single project where the cost has jumped by $1.4 billion. The government is not cutting back on that. As a matter of fact the government is hanging tough. It has just moved the member for Etobicoke—Lakeshore from his parliamentary secretaryship because he came out opposing it. Likewise many of the leadership candidates are coming out opposing it.

I think that when the member for Ontario asks for suggestions for cutbacks, there is a shining example: $5.8 billion that could be saved.

The hon. member for Ontario reminds me of the emperor who was parading down the street and suddenly a child said: "But he has no clothes on". Clearly in this case the hon. member for Ontario really has been stripped of any credibility when he is trying to explain why we are taking $2.5 billion away from the unemployed but we have $5.8 billion to buy military helicopters that will probably never fight in any war. They will probably only do search and rescue work which could more adequately be done by other less expensive equipment.

We look at the government restraint and the cutting back of $2.5 billion from the unemployed at a time when the government has passed through the greatest growth period in the history of the nation from 1984 to 1990. It has imposed 35 new taxes, including the GST.

• (1825)

They talk about spending restraint and saving money. It reminds me of Ronald Reagan. What a disaster. He talked about all these things but spent billions. The Prime Minister flies off to the Pacific Rim or to the United States and transports extra equipment, limousines and whatever he wants but the government deficit piles up.

When this government came to power the debt was $169 billion, this year it will surpass $450 billion. Are these people really good managers? Could anybody ever have believed that during the longest sustained period of growth in our history, with the imposition of 35 new taxes, the GST and still the debt has more than doubled in those few years.

What is the government's solution after creating the worst economic recession since the 1930s? It brought in three actions. Three actions are really what did it. It brought in the free trade deal which wiped out all kinds of manufacturing and processing industries. It brought in the GST which was supposed to help those manufacturing and processing industries. In fact that along with the free trade deal has cost some 400,000 manufacturing jobs.

Then to put the real hammer down it imposed extremely high interest rates. During the period 1986 to 1990 it kept the interest rates about four or five points above those in the United States which drove up the value of the dollar from what it was in 1986 so the manufacturing and processing industries got a double whammy.

First of all they were competing with American industries which had 7 or 8 per cent interest rates when our industry had rates of 13 or 14 per cent. They had a dollar catapulting up from the mid or low 70 cent mark to 85 cents, 86 cents or 87 cents.

The pressure of the fiscal and monetary policies was incredible and the most regressive and harmful in history piled on top of these 35 tax increases. Practically every one of those tax increases was a regressive tax. It was an excise tax on gasoline or a sales tax on something else.

Now that the Tories have driven 1.6 million people out of work—there is probably at least two million, 400,000 have just given up looking so they do not count in the estimates—and now in December they say: "Okay, we have put you out of work and now we are going to cut your benefits". Many individuals will face a chop of $80 or so a month which is pretty painful for a single parent or a family where only one member is working and there are three or four children.

I know about this because in my constituency of Algoma, in the uranium mining town of Elliot Lake during the last two and a half years we have seen some 3,400 highly paid production mining jobs wiped out. With that another 1,500 or more secondary service industry jobs were wiped out.

Those people are not only facing the chop of some $70 or $80 a month but very restrictive, tough measures. If you quit your job without just cause you are gone.

There are all kinds of reasons why people quit their jobs that are justified. They pay a very severe penalty already, some 12 weeks' waiting and so on.

• (1830)

I was just looking at the figures of the number of people who quit their jobs. In September 1988, at the height of the economic cycle, more than 31,000 Canadians quit their jobs. In September 1990 this number had fallen to 26,000 and in September 1992 only 16,700 had quit their jobs.

We are talking about a work force of 11 million or 12 million people. There are all kinds of family situations, health problems or work activity problems that cause people to quit, and it does not seem to be a very large number of people. Yet it puts employers in an incredibly strong position. They are able to say to individuals: "Buddy, maybe I am working the butt off you, but if you do not like it, if you quit the job you are not going to get any UI".

There must be a certain civility about how we operate the unemployment insurance program. It is the largest program in the country, $22 billion. This could surely be operated without putting the hammer in the hands of the employer. There must be a balance so that if the individual quits his job, whether it is because of situations at home, situations in the work place or whatever, then he pays a penalty. However, under this arrangement all the power is given to the employer, and that is the unfair part of Bill C-113.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am delighted to have the opportunity to say a few words for the record on this particular piece of legislation.

First, I want to address the over-all situation. The government is continuing to do what it has been doing on a number of other issues, and that is trying to fool Canadians.

It is doing two snow jobs here, trying to fool two groups of people, Canadians generally and the workers. I will explain that to the House.

During the constitutional crisis the government decided to try to frighten people into saying yes. During the Canada-U.S. Free Trade Agreement debate it used the same kind of tactic. It has not learned a lesson from those experiences.

What is it doing now? Why do I say that it is doing a snow job on Canadians? I say so because it is preying on the fears of Canadians that some people are taking advantage of the current system, and it is true, but they are very, very few in number. It is preying on the sense of fairness that Canadians have, because Canadians do not want people to take advantage of the system. That is what the government is doing.

It is trying to pretend that there are scads of people who are really taking advantage of the situation and costing Canadians millions of dollars of their hard earned money, but we know that is not true.

We also know, by virtue of this bill, that this government has not learned anything during the last eight plus years that it has been in power.

[*Translation*]

It is unfortunate, Mr. Speaker. It is very, very unfortunate. This approach or tactic, which was used in other circumstances, is meant to exploit the fears and feelings of Canadians. It will not work.

[*English*]

I will explain why it will not work. Let us look at what some people have said. Alain Dubuc of *La Presse*, in an editorial on January 25, commented on this piece of legislation and damned it because it does not take into account any grey areas. He said: "The bill in its present form is inhuman".

People will argue that it has been changed, but it has not been changed sufficiently so that it now is considered acceptable. Let it be clear that we on this side of the House want those who do not want to work to have to face the music. We do not want to go easy on them. We want them to contribute their fair share to society but we do not believe that this is the way to do it.

• (1835)

Let me quote another individual. Claude Forget, the head of the study, questions the Tory measures, calling them: "a political miscalculation and economically just an empty gesture—a waste of time and political credibility". That is what Mr. Forget has said about this bill. This is not Ron Duhamel, member of Parliament for St. Boniface. This is not the Liberal Party. This is what Mr. Forget has said: "a political miscalculation and economically just an empty gesture—a waste of time and political credibility". Not even the Conservative's ideological soulmates are with them on these measures.

That is not all. Remember that I said initially this government was taking advantage of the sentiment of Canadians because clearly we are fair people. We do not want people to cheat. Let us see what the Economic Council of Canada has said about unemployed workers. A 1991 Economic Council of Canada report on people who quit their jobs said that they are not—and I want to repeat—not a drain on the unemployment insurance fund. That is what the Economic Council of Canada said. Of course we know what has happened to them. When one gives good and honest advice, then one could become a victim.

An analysis of the 1986 employment figures showed that half of all job quitters went to another job immediately. I know you know that, Mr. Speaker, but your colleagues on the government side did not know that. I want to point out that not only did half go to another job immediately but another 43 per cent found new jobs within 10 weeks. By contrast, only one in five persons who lost their jobs found work immediately and another 50 per cent had found work within 10 weeks. It is quite clear when you look at this particular credible study that this will do nothing for those who decide to quit because it is not the issue. This is not the issue.

Supposedly the government wants to go after the cheaters. We have already demonstrated that fewer than 1 per cent cheat. We have already demonstrated that out of some $20 billion in expenditures, it is about $200 million that is probably not being used appropriately. That is a lot of money, but proportionate to the approximately $20 billion it is very, very little.

It is very interesting when we look at Canada in comparison to the G-7 countries. We like to talk about our involvement with the G-7. At present, Canada is in the majority. Most G-7 countries pay unemployment insurance benefits to voluntary leavers. Why is the government doing this? Why? Why? It says it is to get to the cheaters, but we find out the cheaters are very, very small and they cost very, very little. We find that. We find that the people who voluntarily leave their jobs find jobs very, very quickly. We also know that very few people leave their jobs during a recession.

Why in the world would it want to do this? I think I know why and I think I would like to share it with you, Mr. Speaker, and with my colleagues. I said initially that they are exploiting the fears of Canadians the fear of a very tough economic situation. Money is sparse. Anyone who is cheating is hurting everyone very, very badly. I believe that and I think all Canadians believe that, but it is exaggerating that.

Second, there is our sense of fairness as Canadians because we do not want people to cheat. It is exploiting that as well. It is not attacking the problem. It is not at all attacking the problem. It is known that this unemployment insurance fund is funded by employees and workers. The government still makes a sizeable contribution, but in relationship to workers and to employers it is very, very little.

It is known that these changes could, according to government estimates—we know how good government estimates have been; those have been off time and time again—save $2.45 billion in two years on the backs of the unemployed though. However, we also know that this fund is already almost $5 billion in deficit and in another year or so it will be almost $7 billion. If it is really trying to do something, this is obviously the wrong thing to do.

• (1840)

You remember this, do you not, Mr. Speaker, that it tried to redefine what poverty was. Why? It was because it was alarmed at the figures. It could not solve the problem so it said poverty is no longer what it used to be. It is now a new definition. It cut out the poor from the statistics.

This is what the government is trying to do now. It is trying to redefine what it is to be unemployed. That is what it is trying to do because it does not know how to grapple with the problems. Change the rules. Make it look as if people are cheating or exploiting the system so it can look good, it can look tough, that it can look as if it is doing the right thing. At the same time it is trying to snow its electorate.

[*Translation*]

Mr. Speaker, I find it deplorable, truly deplorable. I would really have liked to see this government, for the first time in two terms, listen just a little bit to opposition members and accept some of the amendments which we had proposed.

[*English*]

Mr. Speaker, you know as well as I do that workers will be vulnerable with this. How can a woman with confidence go forward and complain about sexual harassment? Can one envisage an employer saying to his employees: "Things are tough. The wages are going to be cut back and if you don't like it you know what awaits you". Can one imagine that? I can.

[*Translation*]

This is not a step forward: it is a step backward, a giant step backward.

[*English*]

I find it deplorable that this House may indeed go forward and endorse this particular piece of legislation.

[*Translation*]

As I said earlier, and I will repeat it, I find it deplorable.

[*English*]

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, there have been about eight or nine speakers this afternoon on this bill. The two major aspects of this bill are UI and the Western Grain Transportation Act. All of the speeches have been on UI and I have five minutes left on the Western Grain Transportation Act.

The government proposes with its so-called restraint to take $74 million away from the amount it pays to the railroads under the WGTA, which means that the grain producers will have to pay it. The grain producers in western Canada will have to pay it and their wheat prices are down to $110 a tonne on export grain.

Instead of the government giving $729 million under the WGTA it gave $653 million. Out of that $653 million, it will propose paying that to the farmers, instead of to the railroads, but it will be less rail line related costs, remaining subsidies to the railroads, adjustment funds and any funds associated with pooling charges. Even then, the farmers will not get the amount of money that the government is cutting from the WGTA.

The National Transportation Agency Review Commission did a report. Here it is. It was done by Mr. Gilles Rivard. It is garbage. He is the new guy who is going to be the head of the National Transportation Agency. If there was ever a case of putting a coyote in charge of the chicken coop, this is a dandy.

The government has been paying $28 per tonne to the railroads and paying the grain producers $14 per tonne. The government proposes to cut its share. It means that the producers will now be paying more than three times as much for freight costs as they did in 1984. The Tories who were in opposition in 1984 fought the Liberals, as well as myself and my colleagues, by opposing this legislation and today they are doing exactly the same thing. They are adding insult to injury. In their errors of omission and commission they have compounded what the Liberals did.

We are losing farmers by the thousands who are losing their land that has been in their families for three or four generations. This government's solution for them is to make them pay another $74 million share of the cost of moving grain.

Consider what the Canadian Pacific Railway got from the people of Canada: 25 million acres, $25 million and coal lands as the result of the Crow's Nest Pass Agreement. The government allowed the railway to siphon those off into separate companies. It should be making the CPR take some of the profits that the CPR got from the lands, forests and coal fields that we the people gave them and make them pay their own damn costs of moving grain to live up to the agreement of 1897.

I do not understand why the Conservative government that opposed this in the first place back in 1983–84 are now doing exactly what the Liberals did.

Mr. Duhamel: Not so.

Mr. Benjamin: Yes it is. Compare the speeches of Tories in those years in opposition with what they are doing now. The Liberals abolished the Crows Nest Pass Agreement and it is a different story now.

The Acting Speaker (Mr. Paproski): It being 6.45 o'clock p.m., pursuant to an order made Tuesday, March 23, 1993 and in accordance with the provisions of Standing Order 78(3), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the bill now before the House.

Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

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

(*Division No. 448*)

YEAS

Members

Anderson
Atkinson
Bernier
Bourgault
Brightwell
Cadieux
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cooper
Côté
Danis
DeBlois
Dick
Domm
Duplessis
Epp
Ferland
Fretz
Gibeau
Greene
Guilbault
Halliday
Hawkes
Hogue
Horner
Hudon
James
Joncas
Kempling
Langlois
Layton
MacDonald (Rosedale)
MacKay
Marin
Masse
Mazankowski
McDermid
McLean
Monteith
Nicholson
O'Kurley
Plourde
Pronovost
Reid
Ricard
Roy-Arcelin
Shields
Soetens
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Weiner
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard—119

Andre
Attewell
Bjornson
Boyer
Browes
Cardiff
Chadwick
Chartrand
Clifford
Collins
Corbett
Couture
Darling
de Cotret
Dobbie
Dorin
Edwards
Fee
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hockin
Holtmann
Horning
Hughes
Johnson
Jourdenais
Landry
Larrivée
Lewis
MacDougall (Timiskaming—French River)
Malone
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Merrithew
Moore
Oberle
Paproski
Porter
Redway
Reimer
Richardson
Scott (Hamilton—Wentworth)
Sobeski
Sparrow
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wenman

NAYS

Members

Allmand
Anawak
Axworthy (Winnipeg South Centre)
Bellemare
Berger
Blackburn (Brant)
Blaikie
Boudria
Campbell (South West Nova)
Copps
Dingwall
Edmonston
Finestone
Flis
Foster
Gagliano
Gérin
Harb
Heap
Hunter
Keyes
Kilgour (Edmonton Southeast)
Kristiansen
Laporte
Leblanc (Longueuil)
MacLellan
Maheu
Marchi
McLaughlin
Milliken
Mitchell
Nowlan
Nystrom
Parker
Pickard
Proud
Rideout
Rodriguez
Skelly (North Island—Powell River)
Speller
Stupich
Tremblay (Rosemont)
Walker
Whittaker

Althouse
Arseneault
Baker
Benjamin
Bevilacqua
Blackburn (Jonquière)
Bouchard (Lac-Saint-Jean)
Breaugh
Catterall
de Jong
Duhamel
Ferguson
Fisher
Fontana
Gaffney
Gauthier
Guarnieri
Harvard
Hovdebo
Jordan
Kilger (Stormont—Dundas)
Kindy
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacWilliam
Manley
Marleau
Mifflin
Mills
Murphy
Nunziata
Pagtakhan
Phinney
Plamondon
Prud'homme
Rocheleau
Simmons
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Wappel
Young (Beaches—Woodbine)—88

Private Members' Business

PAIRED MEMBERS

Campbell (Vancouver Centre)	Charest
Della Noce	Jelinek
Kaplan	Ouellet
Turner (Vancouver Quadra)	Young (Acadie—Bathurst)

Madam Deputy Speaker: I declare the motion carried.

Bill read the third time and passed.

Ms. Langan: Madam Speaker, I rise on a point of order. Were he allowed to be present the hon. member for Esquimalt—Juan de Fuca would have voted with his party.

Madam Deputy Speaker: Pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADA POST CORPORATION ACT

MEASURE TO AMEND

Mr. Guy H. Arseneault (Restigouche—Chaleur) moved that Bill C-241, an act to amend the Canada Post Corporation Act (national flag of Canada), be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Madam Speaker, it is a pleasure for me to be here this evening and to speak about my Bill C-241 at second reading. I am sure you have read the bill. It is a very short bill but it has a lot of meaning.

This bill calls for the displaying of the Canadian flag in all Canada Post outlets. The intent is much more, as I said before, than just the bill itself.

• (1920)

[*Translation*]

During the last few years the services offered by Canada Post have changed drastically. With its policy aimed at closing rural post offices, Canada Post is abolishing the only federal presence in those communities. This bill wants to re-establish those symbols in the communities.

[*English*]

Our national flag is an important symbol of our nation. It is a symbol that allows all Canadians from coast to coast to coast to identify together as Canadians. Canada is a vast land of diversity, embracing vast differences within its borders and among its people.

Traditionally the flag has provided connections across the great expanses of space and time and has been a source of unity and pride.

[*Translation*]

Canadians are proud of their symbols. They reflect the history of our nation, its people, its environment and its cultures. Here, as in many other cities throughout the country, there are numerous symbols such as museums and other historical sites which remind citizens of their national identity. However, in rural communities such symbols are rare. Oftentimes the post office is the only one.

[*English*]

For someone living in an urban centre such as Ottawa, Montreal or Vancouver, it might seem strange to refer to a post office as a national symbol. However in rural communities this would often be the only federal presence in the community. For these communities these post offices were a source of pride, a sign that the federal government acknowledged the existence and the importance of their community.

I would like to quote from a letter I received from one of my constituents in which that person discusses the importance of the post office in their community.

[*Translation*]

Let me quote that letter: "We were born in Pointe-Verte and we saw, at least partly, the history of our post office in the making. We remember more particularly that small wooden building near the school. In those days, people were talking about the possibility of building a post office. When it finally happened, the population in our community was very, very proud since, for us, it was normal to have a post office".

This shows how much people consider their rural post offices as symbols. Now the government wants to take away those symbols. Even though Canada Post received numerous letters asking that these post offices be maintained it still continues to implement its disastrous policy. As I mentioned earlier, more than 3,000 rural

communities have lost their post offices and therefore, an important national symbol.

With this bill I propose to give their national symbol back to those rural communities. While I support re-opening those post offices, I am quite aware that my view is opposite to the philosophy and the agenda of this government. Taking this into account, I propose we require that a Canadian flag be flown over every Canada Post facility thereby giving them back the status of national symbol which our federal government seems to have forgotten.

[*English*]

Recently Bill C-73 was introduced in the House of Commons and we debated Canada Post and the attempt at its privatization. At that time if we were to review *Hansard* we would see the important role as a national symbol that post offices play in every community across Canada.

Quite often in these small communities the post office is the only federal government presence. It is the only place where the federal flag flies. The importance of Canada Post and rural post offices as a national symbol and federal presence in communities has been recognized by all parties and MPs in this House.

• (1925)

The new aspect of the Canada Post philosophy regarding new commercial outlets is to get away from the post office as a national symbol. It is getting away from the use of the national flag.

We as Canadians must preserve these national symbols right across Canada. The new Canada Post logo has what some refer to as pigeon wings. That is the flag that many of them are using, along with the Canadian flag. They are using both. But what is the next step? The Canadian flag is good enough. It is meaningful and that is what we should have. We should have the Canadian flag at every post office and every post office outlet.

I know we started a little late, so even though I am allowed 20 minutes I am going to cut it short because I know there are a number of other MPs in the House who have expressed the desire to speak. I will allow them some extra time by cutting my speech a little short. I was hoping to be able to refer to the Canada Post philosophy of closing down small rural post offices because it is inter-related.

I was hoping to speak about Pointe-Verte and the closure of its post office; the reduction of hours at the Dalhousie post office, Saturday service; the sorting centre in Campbellton; the reduction of hours in Nash Creek; and the requirement for extra boxes in Saint-Quentin and Kedgwick.

[*Translation*]

These points must be made. However other members want to speak and I know that we started late because of the vote. Therefore I will give them this opportunity and shorten my speech.

[*English*]

I would only hope that other MPs will support me in the move to have the Canadian flag fly at every post office outlet in Canada.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I welcome the opportunity to participate in the debate on the proposal to change the Canada Post Corporation Act with regard to the use of our national flag.

I believe that the hon. member is presenting us with a complicated solution to a problem which for the most part does not exist. I do not believe the hon. member has been able to demonstrate that there is really a need for this legislation. I do not think that it deserves the support of this House.

It does not merit our support for several reasons. There is the cost which would be incurred should this legislation become law, but this is not the reason for my objection.

The hon. member's bill ultimately proposes that the flag be displayed in every business in this country that provides postal service, some 14,000 sites. I would hope that the hon. member is not suggesting that Canada Post is not proudly displaying the Canadian flag because that is simply contrary to the facts.

Canada Post has an official policy to guide its employees in the proper manner for display of the Canadian flag. This policy ensures that all Canadian flags that are displayed in corporate facilities across Canada are done so in a fashion that demonstrates pride and respect.

There are approximately 19,000 locations at which postal products and services are available across this country. Of those, only about 3,600 are corporate post offices. It is Canada Post Corporation's practice to display the Canadian flag at its corporate buildings and sites, but the vast majority of postal outlets are franchise operations that are primarily located in retail stores owned and operated by private individuals.

The hon. member will agree that we should continue to respect the independence of those individuals who run private outlets and rely on their good sense and judgment on this question.

Some of these franchise operations are in small quarters. I believe it is up to the individual retail store owner, whether they have a postal service or not, to decide whether they want to display the Canadian flag.

Canada Post is doing an excellent job of providing official postal service to all Canadians. When the former government presented legislation in 1981 to convert the old post office department into a self-sufficient Crown corporation it did so with the intention of removing the postal service from political interference. Even the CUPW president at the time, Jean-Claude Parrot, welcomed the move and encouraged Parliament to let the managers of Canada Post manage. All parties in this House agreed to the change because it was a very sensible solution to a nearly impossible situation.

• (1930)

In my view the results have been very positive. As many members want to speak, I do not want to use my full allotted time. I think the management of the new Canada Post is one of the most important elements in making this organization work to the benefit of all Canadians.

I cannot fault the hon. member wanting to encourage a display of the Canadian flag, and I doubt that any Canadian would find fault with his suggestion. However, I believe this bill misrepresents Canada Post's commitment to the promotion of Canada's distinct identity.

Every year Canada Post produces 250 million Canadian flag stamp definitives. Canada Post is proud to encourage Canadians to use it year after year. Since the introduction of these stamps many attractive designs of the Canadian flag have been featured. I am happy to say that often I use these designed stamps on my own correspondence and I urge all fellow Canadians when they are buying stamps to request that particular stamp.

Canada Post's commitment to national heritage does not stop there. Canada Post is a contributor to a series of TV vignettes seeking to make Canadians aware of their special heritage. Each one-minute spot highlights a particular facet of Canadian history or an outstanding Canadian. I am sure many members have seen these on television.

I want to congratulate Canada Post for its continued contribution, not only in its commercial capacity but perhaps even more so as an agent of Canadian identity.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure to rise today and put a few comments on the record on Bill C-241, presented by the member for Restigouche—Chaleur, with respect to the Canada Post Corporation and the national flag of Canada.

The member has made some very valid points in pointing out the reasoning behind putting this bill before Parliament to change the Canada Post Corporation Act to ensure that flags are flown over all Canada Post outlets.

If we think back to the establishment of not only Canada but the postal service we realize what it has meant to our various communities, as the member has pointed out and those of us from rural Canada understand perfectly, and how important our postal outlets were prior to privatization and, in some cases, still are to our small communities.

It is a gathering point. Back in the old days it was a place where the local people came in and congregated. That was a tradition that continues in some communities today. Unfortunately as we go across Canada more and more small postal offices in our small rural communities are being closed and so are some of the post offices in some of our larger communities.

In my own riding Penticton, with a population of 27,000, had its post office closed last year in spite of that community rallying behind its post office and the fact that I presented petitions with the names of well over half of the population of Penticton protesting the closure of the post office.

In the rural areas around Penticton the community of Naramata just recently had its post office closed. Rock Creek, a small community in the boundary country, had a post office until last year that was over 100 years old, almost 125 years old. Yet Canada Post does not care for history. Canada Post apparently does not care for service and Canada Post has not indicated that it cares very much for patriotism.

• (1935)

The member is on the right track in that he is trying to ensure we are at least keeping a little bit of our heritage, our culture and our patriotism in our small communities by saying that if people have a Canada Post outlet they should at least identify themselves as part of the Canadian mosaic, the Canadian culture, the string that keeps Canada together. I agree with that proposition.

Let me digress a little bit. We are saying that all postal outlets should be identified as Canada Post and Canadian outlets by the reason of the flag.

Let us go back to exactly what is happening. I recall when I was in business approximately eight years ago that across Canada we were assured of one-day service from major centre to major centre. I live in the small community of Osoyoos, British Columbia. I am a lawyer, and in sending our land registry documents to Kamloops we would put them in the mail at 2.30 in the afternoon. They would be delivered and we would have registration phoned back to us by eleven o'clock the following morning.

In the last year the people in my constituency have been keeping track of how long it takes to get mail from one community to the other. Just yesterday I received a letter from a constituent enclosing an envelope and his stamp received date on it from Kelowna to Penticton, 40 miles. It took eight days to deliver that piece of mail 40 miles.

That is not the only one. I had a phone call a few days ago telling of a letter that was sent from Summerland to Okanagan Falls, approximately 25 miles. It took 11 days to deliver that piece of mail the 25 miles. I just received some correspondence that was mailed six weeks ago in Vancouver, intercepted and re-sent by Canada Post to Ottawa. On a regular basis it takes from my office in Ottawa to my office in Penticton, British Columbia, 8 to 14 days to have mail delivered.

I look at it and say: What has Canada Post done? How is its service improved with the privatization of our small postal outlets?

We have not even taken baby steps forward. We have taken giant steps backward. We are worse off, I would suggest, than we were back in the pony express days. Speaking of pony express, we have gone back in my riding. The centre of Princeton, British Columbia has twinned with a community in the United States called Tonasket. Each year they have a pony express ride where they take letters from one community to the other. By horseback they get those letters between the two communities, some 150 to 180 miles, in approximately six hours. They are doing a lot better than Canada Post is with all of its modernization.

Canada Post has not done much for my constituents. It has closed post offices. It has taken away the identity of small communities. It has privatized areas, and I get complaints about that. There are some good retail outlets. I do not argue with the fact that often those retail outlets are kept open longer hours, but unfortunately those people are not bonded. Unfortunately those people often are not trained adequately to handle the mail.

There are 19,000 locations that should be covered. Perhaps flying the flag over one of these retail outlets would give the workers more pride in the work they do. They may already have three or four other jobs to do in a retail outlet. Perhaps it would give them extra incentive in getting the mail to people. Perhaps it would show Canada Post that we in Canada still care about Canadian culture, Canadian unity and that Canada Post is the bottom line entity in getting our mail from east to west.

• (1940)

The Acting Speaker (Mr. Paproski): I have 22 minutes left and I have the hon. member for Glengarry—Prescott—Russell, the hon. member for Broadview—Greenwood, and the hon. member for Mont Royal. Use discretion, please.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, let me begin my remarks by congratulating the member for Restigouche—Chaleur for his initiative this afternoon to ensure that the flag of Canada is displayed in post offices and in agencies providing postal services in Canada.

I heard the remarks of the hon. member for Cambridge. In the beginning he invoked cost as a reason not to do this and then said he did not really mean cost, he just said it as an aside. I am paraphrasing here.

The member for Cambridge should be aware if he has read the bill—and the bill is only about 20 lines long—that under the bill the size of the flag and the material is to be designed by regulation to be promulgated by his government. Therefore there is nothing that stops us in a retail postal outlet operated by the private sector to have a flag which would be in the form of a decal, for instance, to be affixed to the counter, not at a cost of $150, but at a cost perhaps of a few cents. That is what we are talking about in the case of a privatized outlet. Needless to say, if it were a Canada Post structure, owned by the corporation, we would expect an outdoor flag of the kind that is customary.

I remember two years ago getting a phone call from an irate constituent in Navan, Ontario in my riding, complaining about the fact that the flag on the post office was all ripped and that it looked terrible.

An hon. member: Faded.

Mr. Boudria: Not faded. Faded would have been the least of her worries. I phoned Canada Post. After a month of trying I finally gave a flag to the constituent to take to the postmaster because no one had had the smarts to replace it in spite of my requests and those of my constituent. Is that acceptable for a federal government structure? I say not and my constituents say not.

Furthermore, let us remember what is in the Canada Post Corporation Act, the law of the land as it is today.

[*Translation*]

Section 5(2)(e) of the Canada Post Corporation Act stipulates that, and I quote:

> While maintaining basic customary postal service, the corporation, in carrying out its objects, shall have regard to—

—listen to this—

> (e) the need to maintain a corporate identity program approved by the Governor in Council that reflects the role of the corporation as an institution of the Government of Canada.

Therefore the Canada Post Corporation now must identify itself as an agency of the Government of Canada. Have you seen recently the Canada coat of arms on a post office? The Canada Post Corporation abolished it. When have you last seen the traditional flag design on the logo of the Canada Post Corporation? The corporation abolished it in contravention of the existing law. The hon. member for Cambridge and others who think likewise approve of that kind of behaviour. I do not nor does the hon. member for Restigouche—Chaleur.

[*English*]

In April 1990 the Standing Committee on Consumer and Corporate Affairs and Government Operations published a report called "Moving The Mail". I have a copy of it here. In the dissenting report, if you want to call it that, there were additional recommendations or additional clauses proposed by the Liberal Party. I authored many of these clauses and in particular this one. Liberal recommendation No. 40, which is part of Liberal policy as we speak now and has been approved by our leader, is that Canada Post restore its corporate identity program to reflect the role of the corporation as an institution of the Government of Canada. Anyone at Canada Post listening right now better take heed because that is what we want. That is what we want and that is what Canadians want.

[*Translation*]

Most of the time in rural Canada, as my friend from Restigouche—Chaleur said so well, the post office is the only federal building. That is where we get passport forms, birth certificate forms, old age pension forms, et cetera. In many villages, only the postmaster can certify a passport. It is an important position. Maybe that does not mean anything to some hon. members on the other side or even to officials of the Canada Post Corporation, but to many of us in rural Canada the postmaster and the post office are very important. They represent the federal government.

• (1945)

[*English*]

When we founded this country, one of the reasons we did it was to defend our borders, have a universal currency within our boundaries, and deliver the mail. Those three reasons are still there and they are still valid.

I am sorry to say it but I do not accept the reasons invoked by the member for Cambridge earlier tonight that we cannot afford this, or that it is undesirable, or that this is a Crown corporation. If it is a Crown corporation the least it could do is to live within the act that exists now, but it does not even do that.

No, Mr. Speaker, I do not accept those arguments and neither do my colleagues. Canada Post can bloody well learn to live within the law and behave like a Crown corporation, a corporation of the Government of Canada. This is not Purolator, this is not a company that manufactures hockey pucks. This is a corporation of the government. This is Canada Post. That is how I want it, that is how my colleagues want it and, more important, that is what Canadians expect us to do.

[*Translation*]

I congratulate my colleague.

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, since other members wish to speak as well, I will be brief and I simply want to say that the bill introduced this evening by the hon. member for Restigouche—Chaleur is undoubtedly well-intentioned. I heard the hon. member's presentation on his bill to the Sub-committee on Private Members' Business, and I must say his argument was very convincing.

However the hon. member must realize that Canada Post offers its services through a network of more than 19,000 sales outlets, of which only 3,600 belong to the Canada Post Corporation. The corporation has always given our national flag pride of place in its establishments.

It is the corporation's policy to ensure that its employees know the proper way to display the Canadian flag. The Canada Post Corporation ensures the flag is displayed proudly and with respect.

However the vast majority of postal counters in this country are located in retail sales outlets owned by private interests. Most of them are in drugstores, retail stores, variety stores, service stations and shopping malls.

Since private sector entrepreneurs make up the majority of sales outlets of Canada Post, I think it is up to them to decide what they wish to display in their own establishments.

First of all, I want to point out that in corporate sales outlets where it is possible to do so the Canadian flag is prominently displayed by the corporation.

Second, this bill totally ignores Canada Post's commitment to promote the Canadian flag. The corporation is already involved in promoting the image of the Canadian flag in its philatelic program. Every year Canada Post produces 250 million stamps showing the Canadian flag—more than 10 stamps for every man, woman and child in this country—and the hon. member for Restigouche—Chaleur will admit that as far as promoting the Canadian flag is concerned this is a tremendous program.

Incidentally, in philatelic language these stamps are commonly referred to as definitives, in other words, stamps that are reprinted year after year. This government is proud of the fact that year after year the Canada Post Corporation promotes the Canadian flag through its philatelic program.

Despite their differences, Canadians are proud of their country and thanks to Canada Post they can express that pride by using these stamps that bear the image of our flag. I hope that all members will encourage Canadians to use these splendid stamps on their correspondence.

Eleven years ago, when Canada Post was established as a Crown corporation with the support of all political parties, the postal system was going through a very difficult period. Service was deteriorating, labour relations were in disarray and the deficit was nearing $1 billion.

• (1950)

Changes had to be made to provide the postal service to which Canadians were entitled. In particular, it was necessary to eliminate political interference in postal affairs. It was time to let the experts on mail delivery work without worrying about the political meddling that was customary before 1984.

I believe that Canada Post is doing a very good job and that it has considerably improved the postal service, thanks to the cooperation of local businesses and establishments which provide Canadians with increased access to postal products and services. Today stamps and other postal products and services are sold wherever the demand exists, especially in food stores and shops and various other types of business.

I think it is essential, and I am sure that the great majority of our fellow citizens agree, that we can obtain postal services right where we shop. Franchises are an additional asset. They help lower the cost of operating the postal service, which results in moderate rates and good service for all Canadians.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have the opportunity to rise and support my colleague from Restigouche—Chaleur and his private members' bill, an act to amend the Canada Post Corporation Act, which would ensure that the national flag of Canada is displayed in the manner prescribed by the regulations inside each post office and on every building in which a post office is located and of which the Government of Canada is the owner or the main tenant.

I cannot believe what I have been hearing from the government in the last 20 minutes. National programs and national symbols are how we create national will in this country. It is from national will, national symbols and the symbol of our flag that we develop a sense of patriotism in this country.

Over the last nine years Canadians have experienced national institutions and national programs being dismantled year after year after year.

Now we have a situation where the post office is no longer flying the Canadian flag. This is wrong. The federal presence has always been integral to holding this country together. There are regions in this country where the post office is the only federal presence. Just think, by comparison, of what happens in the United States. One could not find a United States government building or truck without the American flag on it.

I cannot understand when the member from Cambridge talks about franchises, that he wants to give them their own independence. When one gives a franchise one sets standards. One of the standards should be the federal presence. In the province of Quebec there is not going to be any mad rush to display the Canadian flag. Oh yes, there are thousands of buildings in the province of Quebec that are owned by the Government of Canada and the federal flag is not flying. Now, under the name of privatization and franchises, the government is saying: Oh, we will not tell them what to do. That should be a condition of the franchise, that the Canadian flag is flying.

• (1955)

I think this government is taking the idea of federal presence too lightly. I know that when I first came to this town in 1980 it was during that period that we developed the Canada word mark, which is the word Canada with the flag over the letter a.

I remember one time we were working with Spar Aerospace and there was a group that did not want to put the Canada word mark on the Spar Aerospace space arm because it was a private sector company. We said that there is $130 million worth of taxpayers' money that went into that space arm and so we insisted that the Canada word mark go on the space arm.

When that space arm opened in outer space for the first time and everyone in the world saw that space arm and we could all see the Canada word mark there was a great sense of pride in the technology and the people that put that technology together. It was a great symbol of our contribution to the space project.

As far as I am concerned that Canadian flag should be on every federal building, prison and post office. Every piece of Government of Canada property should always display the Canadian flag because it works at galvanizing the will of this nation, and when the will of this nation is galvanized the economy flourishes because it affects the spirit and everything else.

More than ever this country needs to be galvanized because for the last nine years we have been dismantling national institutions and programs to the point where Canadians have lost their identity to a great extent.

I stand proudly behind my colleague today from Restigouche—Chaleur in insisting on this. We have an act here which enshrines the Canadian flag at every post office in this nation. Whether it is a government-operated post office, a Crown-operated post office or a franchise it should be part of the package.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have listened with a great deal of interest to the discussion that has taken place here this afternoon and I want to take this opportunity first to thank our colleague from Restigouche—Chaleur for having brought forward the whole question of national symbols and national identity, the Canadian flag and the whole sense of Canadian persona.

I want to say to anyone who is interested in this issue that the remarks of my colleague from Glengarry—Prescott—Russell were very revealing and the warmth, dimension and depth of feeling that was expressed by my colleague from Broadview—Greenwood—as well as from my colleagues from across the floor and on both sides of this House—were very meaningful.

I find it absolutely abhorrent in today's country that, after we have gone through the Spicer commission and all the agony and sometimes ecstasy of the constitutional discussions when Canadians have said that they love Canada: "I love Canada; let us show the flag". We can have differences of opinion as to what that flag means in terms of the Constitution of the country, but we have no difference of opinion with respect to our pride of belonging, our pride of heritage.

The concern that I want to express—I ask everyone to read the other speeches that were brought to our attention because they were worth while—is that if there is one thing that we need it is the tie that binds. The tie that binds has been cut and cut by this government.

Look at the post offices in many places in the small, rural sectors; the railroad lines; the privatization of Air Canada; the cutting of the air routes; the CBC in small parts of this country and the cutting of our cultural programs throughout this country that develop the sense of who we are as a people. There is no sense of pride in the way this government has picked its priorities.

One of the simplest ways to establish one's priority and to establish who one is across the nation is to put a flag up. It is at the back of the store, the front of the store and behind the teller. Whoever is serving us in that post office is the link. That is the Canadian voice that is going out or coming in as the case may be.

I really have a strong sense that our patriotism is being diminished by this government's lack of foresight. So we have 19,000 locations, so we have 3,600 corporate offices and sites. The member for Cambridge stood up and talked about the fact that we should not interfere with individual rights because they took a franchise. With a franchise people buy logos, responsibilities, and obligations. The obligation in this case should be to fly the Canadian flag. If the space is too small then put on a Canadian sticker. They do not get it for nothing. They have an obligation to use the rights and privileges to distribute the mail for Canadians across this land.

Canada was founded on a number of principles. One principle was the ties that bind with respect to defending our own borders, common sense and courtesy, and delivering the mail.

With you people it does not matter who delivers the mail as long as they have the right to negotiate, as long as they have the right to forget that they are Canadians and they have an obligation to demonstrate that to people across this country and in Quebec, as my colleague said, and anywhere else across this land.

I would like to support this particular motion and thank the hon. member.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being eight o'clock p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 8 p.m.

HOUSE OF COMMONS

Thursday, March 25, 1993

The House met at 10 a.m.

Prayers

[*Translation*]

PRIVILEGE

ALLEGED COMMENTS OF MEMBER FOR ROSEMONT

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, having thought the matter over and reviewed the remarks made on this subject on Tuesday March 23 as reported in *Hansard*, I wish to withdraw the comments that were construed as offensive.

Mr. Speaker: I appreciate the hon. member's gesture and I hope this resolves the matter.

ROUTINE PROCEEDINGS

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 11 petitions.

* * *

[*English*]

CONSUMER AND CORPORATE AFFAIRS AND GOVERNMENT OPERATIONS

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I move that the seventh report of the Standing Committee on Consumer and Corporate Affairs and Government Operations, presented to the House on Tuesday, June 23, 1992 be concurred in.

• (1010)

On June 22, 1992 the Standing Committee on Consumer and Corporate Affairs and Government Operations, after a lengthy study which followed two studies on credit card interest rates, the previous one having been in 1989, tabled its report.

The New Democratic Party did not agree with the conclusions reached by the majority members of the committee. As a result I tabled a minority report on behalf of my caucus with respect to credit card interest rates.

We tried to make several points throughout. We were in a period when the Bank of Canada rate was dropping. Yet at the same time credit card interest rates remained up. The Bank of Canada rate was coming down. The prime rate came down and credit card interest rates stayed up. Today the Bank of Canada rate is somewhere around 5.6 per cent. The prime rate is at 6 per cent.

An hon. member: Thanks to our policies.

Mr. Rodriguez: That is another debate, I say to the minister who says thanks to their policies. That is another debate.

The prime rate is at 6 per cent and the Bank of Canada rate is at 5.46 per cent. Yet the credit card interest rate for the standard Bank of Montreal card is 16.75 per cent; for Canada Trust, 17.75 per cent; for the National Bank, 17.25 per cent; for National Trust, 15.75 per cent; for the Scotiabank standard card, 16.75 per cent; the Canadian Imperial Bank of Commerce card, 16.75 per cent; Central Guaranty, 17.75 per cent; the Laurentian Bank, 16.75 per cent; Montreal Trust, 16.75 per cent; the Royal Bank standard card, 16.75 per cent; and the Toronto-Dominion Bank, 16.75 per cent.

This is a time when interest rates, as the Prime Minister said yesterday, are the lowest in some 20-odd years. Yet we have disparity between the credit card interest rates and the Bank of Canada rate.

We were not convinced that there was a competitive marketplace out there among the banks. In fact what we have is an oligopolistic system in the financial institution sector of the economy. In other words the marketplace did not set the rates. Had the marketplace set the rates when the Bank of Montreal came in with its prime-plus card about a year ago or when the Scotiabank came in with its card which offers 10.5 per cent, one would have thought all banks would have started competing at the lower rates.

The fact of the matter is there is no competition. There is no marketplace. Read my lips, Madam Speaker: There is no marketplace with respect to the setting of credit card interest rates. What we have is legalized grand larceny on the part of the banks. If anybody outside the banking system had done that, he or she could be charged with highway robbery.

What did the committee do? It ignored the opportunity to put a leash on these roaring bandits. Actually it refused to put a collar and a leash on them.

• (1015)

We argued in committee that we needed to set a floating cap on credit card interest rates. Since there is no competition the only way to protect consumers as they grovel and as they forage for credit in the marketplace is by having a floating cap on credit card interest rates. This means that as the Bank of Canada rate comes down, credit card rates will come down; if the Bank of Canada rate goes up, the credit card interest rates will go up.

Right now there is no benchmark by which the banks bring down the rates. It all depends which side of the bed the president of the Royal Bank gets out on. When he looks at the overnight returns on foreign exchange profits it determines whether the rate comes down .5 per cent or stays up. We are depending on the goodness of the heart of very—

An hon. member: Heartless people.

Mr. Rodriguez: I would say more: very greedy people. On the government side of the House they hope consumers will open their wallets and start spending us out of this recession. How can they expect that when the banks have them by the neck or by any other part of the anatomy, whichever is the more effective?

We said that the only way to control them was to put a floating cap. The banks said we could not do that, that it would interfere in the marketplace. The Tories said we could not do that, that it would interfere in the marketplace.

I have never seen such a vivid example of where Tories and the banking sector were cheek to cheek and jowl to jowl on an issue.

An hon. member: Teller to teller.

Mr. Rodriguez: This government has achieved it. I give it full marks.

We have the spectacle of consumers being taken to the cleaners. We said they should not do that, that we should have a standard by which those rates will come down, and that standard has to be in relation to the Bank of Canada rate. Imagine 300 per cent more being charged. That is usurious, absolutely usurious.

These are the most profitable institutions in the country. The banks have done spectacularly well. Even when they do not do very well, even when they actually goof up as in the Olympia and York situation and even when they went down to South America and lent the money for petrodollars, who bailed them out? The taxpayers. Even when they have trouble, the taxpayers bail them out.

When it is to make sure they get the best deals going as the whole marketplace is collapsing, we make sure Toronto-Dominion gets all the choice parts of Central Guaranty. When Royal Trust was in trouble we made sure the Royal Bank got all the choice cuts from the side of beef and we left the taxpayers to pick at the bones. The taxpayers got the soup bones. Who gets the meat? It is the big banks.

Our caucus said we had to have a floating rate, that it was the only way to provide justice in the marketplace as far as credit card interest rates were concerned. In 1989 the committee recommended the floating cap. The committee at that time was led by a Tory. This time it was led by a different Tory. I am sad to say the Liberals went back on their commitment to a floating cap and voted with the Tories to produce the report that was tabled on June 22.

An hon. member: What's new?

• (1020)

Mr. Rodriguez: What is new? What is the difference? They all sing to the same master for their supper. I suppose at this time when we are on the eve of an election, they have to really pat the banks because they need to protect their donations and their contributions.

The other thing we said in our minority report was that all partial payments should be applied and should be fully credited to the amount owing and that the interest charged should only be on the amount owing.

The province of Quebec has legislation that says for every partial payment made the interest can only be calculated on the remaining balance. I want to mention an interesting situation. That is the law in the province of Quebec for consumers. That is the kind of law I wanted the federal government to adopt in the Bank Act. Then the benefits that Quebec consumers get with respect to credit would apply to all Canadians. I think it is an exemplary piece of legislation.

In fact, the National Bank, the bank in the province of Quebec, was following the rules of Quebec. When it joined the club, the bankers association, I bet you dollars to doughnuts the pressure was put on it to conform to the way the other banks do it. The club made the club member conform.

Therefore, it seems to me this is one of the things that we should be concentrating on, never mind trying to ram NAFTA through here in two days with limitations on freedom of speech in the House of Commons. Why do we not really deal with the things that will provide benefits to Canadians, rather than taking them away? Even now with the NAFTA as it will apply to the banking system, those will never be touched now. They will never be touched, once they are locked into a North American continental financial institution structure. That is the problem.

Therefore, we said to them: "Look, every partial payment that is made should be deducted from the balance owing and the interest should only be calculated on the balance owing".

An hon. member: That makes sense.

Mr. Rodriguez: Oh, no, they go back and charge it from the beginning, if the payment date has passed.

An hon. member: Even on members of Parliament?

Mr. Rodriguez: Well, I know on this member of Parliament. I do not know about all members of Parliament.

I say that is the most unfair way. We suggested that all credit card issuers be compelled to calculate the interest charges in a consistent way. Every one of them should calculate the interest using the same process.

We said that there ought to be a financial services ombudsperson. That person would monitor credit card rates and the abuse of financial service charges. In all my case-load a good 25 per cent of it deals with credit card complaints and service charges imposed by the banks on their customers.

Now, what does that make the member of Parliament? It makes the member of Parliament an ombudsperson for financial institutions. The member of Parliament now becomes the ombudsperson and has to phone and try to get the banks to let up.

As I watch I notice these service charges and the credit card interest rates are often used to bail out the banks from some of their terrible investment decisions. I have watched small businessmen in my riding, small entrepreneurs who have gone hat in hand to the banks saying: "Carry me through this recession". Here are these banks, the pillars of the community. When things are going well and the money is rolling in it is happy days are here again. They break out the champagne. When the economy shrinks in the community, who are first on the Greyhound bus to Mexico? Who are first on the Greyhound bus to the Cayman Islands? The banks, closing up.

• (1025)

It is amazing. They are there when the going is good. When things get tough, they tighten down the hatches, but they do not tighten them down on the big guys. No, when Mr. Reichmann phoned up, he said: "Look, I need $100 million for Canary Wharf". Or is it Parrot Wharf, the bird sanctuary in London. When he said: "Can I get $100 million", the Royal Bank president said: "Mr. Reichmann, are you sure you do not want $200 million? It is the same price. You can get $200 million and we do not want to see your books. Security? We do not need security. We will take your word for it".

Now, do you see the difference? If the entrepreneur goes to the banks, the banks say: "No, you cannot have credit. You do not have any collateral. You do not have any security, not even for a $25,000 loan, not even for a $40,000 loan".

Mr. Barrett: "We will take your home".

Mr. Rodriguez: Not even for a $100,000 loan. They do not want that.

Mr. Barrett: They do not want his home.

Mr. Rodriguez: No, they have too much real estate.

Mr. Barrett: Too many homes.

Mr. Rodriguez: The greatest landlords in the nation, the banks. That is what they are.

When the going is good, they are there. When times are tough, they do not take risks. They do not take a chance on the people who built the community. They do not have any interest, do they? They do not have any interest. That is all. They do not take an interest. They just want interest. That is the way it works.

I want to give credit where credit is due; I am not a negative person. We have probably one of the best banking systems in the world. Why do I say that? Because in fact we have a Bank Act. It is a national banking system. Parliament has the power to set the ground rules by which the banks operate. We do not have the Barrett First National Bank of British Columbia. He tried it once.

Mr. Barrett: They would not let me.

Mr. Rodriguez: They would not let him, but a different government, what does it matter? It is still a Liberal, Tory, a Liber-Tor government. He tried it once and it did not work.

Mr. Barrett: They would not let me.

Mr. Rodriguez: They would not let him, but he tried. His heart was in the right place.

Mr. Barrett: So was my deposit.

Mr. Rodriguez: Now you have made me lose my train of thought here. Where was I?

We have a national banking system. It is controlled by the House of Commons. The banks have branches right across the country. No doubt about it, it is a very efficient system. Compared to the American system, we are in the 21st century.

Why is it that when it comes time to actually make the banking system work for the country, make the banking system work for Canadians, we suddenly back off?

Mr. Barrett: No, the government works for the banks.

Mr. Rodriguez: That is the question then, why? You have given me the answer.

Mr. Barrett: They work for the banks.

Mr. Rodriguez: That is right. You have got it right, brother.

Mr. Barrett: I knew I had it right.

Mr. Rodriguez: I know, that is why you were premier. I wish you were premier longer.

Mr. Barrett: Then I wouldn't have been thrown out of here.

Mr. Rodriguez: The question has been answered. The reason is because political will is lacking. Political will does not exist on the part of the two old line parties when they have been the government, the ability to make the bankers do what is best for Canada. It is the other way around.

• (1030)

Mr. Barrett: You can bank on that.

Mr. Rodriguez: The government works for the banks. That is how the system works.

My party said in our minority report that we believe the consumers' interests should be protected in this area. We proposed a floating cap. That seems fair to me. The precedent has been set. There are a whole host of other areas where we use the Bank of Canada rate as the departure point for other rates. We use that all the time.

For example, in the government's Small Businesses Loans Act it is 1.5 per cent above prime or 2 per cent above prime. We always use a benchmark against which we set interest rates. Why are banks allowed to gouge consumers with high interest rates?

Imagine at this time that the Royal Bank's interest card rate is 16.5 per cent. That is unconscionable. I call on members to indicate their non-support of a system that allows the banks to just go ahead and keep on gouging consumers again and again and again.

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, I would like to express first of all my appreciation to my colleague, the member for Sudbury, for fighting this issue and proposing an alternative and not just being negative.

I would like to inquire from my colleague as to whether there has been any positive response from the banking community in these complaints he has made. Has any bank shown any interest in being concerned about its depositors, those people that they appeal to through massive advertising expenditures across this country? Every time we turn on the television—

Madam Deputy Speaker: I am sorry, I must interrupt the hon. member. The hon. member for Sudbury on a question of privilege.

Mrs. Marleau: I want to remind the House, Madam Speaker, that I am the member of Parliament for Sudbury and that the member when he was speaking was not referring to me. I will not be a party to this kind of obstructive behaviour in the House of Commons.

Mr. Barrett: That is right, Madam Speaker, I was referring to the hon. member for Nickel Belt.

Madam Deputy Speaker: The hon. member for Esquimalt—Juan de Fuca.

Mr. Barrett: I regret that other members are not fighting the banks. I regret that other members are not demanding that their constituents have floating caps put on their cards. I am surprised that a member would get up and say she does not want any part in this. I want to tell her constituents and everyone else if that is the position of the Liberal Party, it proves that members of that party are in with this government and they want to continue this gouging system of those cards.

If I may return to my comments, Madam Speaker, I want to point out that every magazine says: "Get another card. Grab another credit card. Go ahead". I want to ask the member: How much does it cost the banks to advertise for all this gouging that goes on? Why do they not give the service they say with the claims of the ads with the sweet smile saying: "Come on in here". Do they mention in any of those ads exactly what they are going to charge on those cards? Do they tell people the truth in those ads?

Mr. Rodriguez: I want to thank the hon. member for his questions. There are a couple of observations on the questions.

First of all, just imagine right now the rates are about 16.75 per cent on the credit cards. Just ask yourself, Madam Speaker, when you put your money in the bank, what do you get on deposits? I think if you are getting 1.5 per cent now you are pretty lucky. What is the spread? That is another comparison one has to make: What the banks pay for money on deposit and what they charge their credit card customers. That is another interesting spread which I point out to my hon. colleagues. The other spread I mentioned was between the cost of money, the Bank of Canada rate and the 16.75 per cent figure.

• (1035)

The other question is the advertising. Of course they suck people in with the advertising. They do not say in the TV advertising what the cost of the card is. People find that out when they make the application for the card and then get the card, that is when people really find out what the rates are.

It is also interesting to point out that ranked by profit five of the top 10 companies in Canada last year were banks. Together the big five earned after-tax profits of $3.5 billion in what for most businesses was a grievously tough year.

They did very well, but 50 per cent of the people who hold credit cards issued by banks did not get any breaks. Fifty per cent of card holders do not pay off their cards on time so they carry a balance and pay these usurious interest rates. There are no benefits for them.

Where does the money go? It goes to the banks to make the kinds of investments that we have seen in recent times. We have seen the problems with O&Y, the Campeau Corporation, and the Hees-Edper group. That is where the banks have been lending their money. We have seen it there.

The banks are not prepared to take a chance on small entrepreneurs. In order for them to do so they want the government to give them all kinds of guarantees. Why does the government have to pass a bill guaranteeing returns to banks to make loans to small entrepreneurs? One would think that is the nature of banking. The nature of banking is to make an investment to make a profit. They want guarantees from the government. What do they do to their clients? They grab them by the neck and squeeze and squeeze.

The other question the hon. member raised was initiatives by banks. I mentioned the Bank of Montreal and its prime-plus card. It used the floating cap when I was told it could not be done. It said it would charge prime plus 5 per cent. That was one year ago and I applauded that initiative. I said to the Bank of Montreal that this was a good move.

Lo and behold, the other banks have not followed. The Bank of Nova Scotia came out late last year with its special credit card at 10.5 per cent. I applauded it for the action it took in setting the card rate at 10.5 per cent. Do not get too anxious. That does not mean that we can go over to Scotiabank or the Bank of Montreal and say we have this amount owing to CIBC Visa of $4,000 and ask whether they can lend us $4,000 and then we will get their card. It does not work that way.

Mr. Barrett: No?

Mr. Rodriguez: No sir. It does not work that way.

Mr. Barrett: Why not?

Mr. Rodriguez: It is because they want to sign up new business. They are not going to give people money to pay off and finance that CIBC card at 10.5 per cent.

This is the situation. It was unfortunate that the committee did not stick by its 1989 recommendations of a floating cap. I was most disappointed to see my Liberal colleague falling in with the Tories on the committee. It was the same member on the committee who in 1989 supported the floating cap. In 1992 he had a change of heart. What had changed? Nothing had changed.

Credit card interest rates were still high and the Bank of Canada rate was down. It seemed to me that one had to ask why there was a change of heart.

Hon. Doug Lewis (Solicitor General of Canada): Madam Speaker, my hon. friend is a well-known friend and supporter of Ms. Shelley Martel, the NDP cabinet minister who took a lie detector test to prove conclusively that she was telling the truth when she said she lied.

It has often been rumoured that he was the person behind that strategy. There has even been a rumour that he leaked it to the media.

• (1040)

I wonder if my hon. friend has discussed this very serious matter with Ms. Martel in the many strategy sessions they hold in their weekly and almost daily meetings while he is in the riding. It is very well known that they are very close and that they share strategies. I just wondered if he has discussed this with her.

An hon. member: Order, Madam Speaker. This is completely out of order.

Mr. Rodriguez: Madam Speaker, I fail to see the relevance of the minister's question to the issue of what is being done to consumers on credit card interest rates. The issue we are dealing with is the rates that banks and other financial institutions charge on their credit cards.

This has nothing to do with conflicts of interest by Sinclair Stevens or other Tories of the past.

An hon. member: Or convictions for theft or corruption.

Mr. Rodriguez: They have nothing to do with convictions for theft by Tory members—

An hon. member: Or patronage.

Madam Deputy Speaker: I think comments on both sides are out of order and certainly not relevant.

Mr. Rodriguez: On a point of order, Madam Speaker. You sat there quietly while he raised a question that had absolutely no relevance.

Madam Deputy Speaker: My comment was that comments on both sides did not belong in this place and I could not see the relevance of the comments from the minister. After I saw that the hon. member had answered and was continuing with comments that were not particularly relevant I thought it was a bit early today to get out of the normal line of discussion in this House.

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker—

Mr. Rodriguez: Madam Speaker, I am rising on a question of privilege because there were implications in the minister's remarks and I believe they must be withdrawn. I believe they impugn my reputation by innuendo and that is not becoming of a member in this House.

Madam Speaker, I think you should ask the minister to withdraw his remarks.

Mr. Lewis: Madam Speaker, in the interest of progress, and I know my hon. friend wants to remain in the House, I will withdraw any impugning implications that I might have made in suggesting there was a close relationship between Ms. Martel and the hon. member.

Mr. Breaugh: Madam Speaker, on a point of order. I know there has been a small amount of frivolity in what has been done here this morning, including the Solicitor General sitting chortling that he had managed to get something on the record.

I do not want to deny the House the right to have a little exchange back and forth, but I do want to draw to your attention, Madam Speaker, that there ought to be a distinction when the Solicitor General of Canada takes advantage of his parliamentary privileges, rises in his place and puts on the formal record of the proceedings of the Parliament of Canada some remarks that outside this Chamber might well be considered matters subject to legal action.

• (1045)

Mr. Cadieux: Madam Speaker, on a point of order. As my hon. colleagues are seemingly acknowledging that innuendo should not be used in the House I hope they will remember that in Question Period.

Mr. Barrett: Point of order, Madam Speaker. Since points of order are being used for debate it is up to the Chair to determine, and we have a complaint about that.

My colleague rose on a point of privilege. There was no intervention from the Chair when that member was completely out of order. That has not been addressed by the Chair.

I ask you, Madam Speaker, to explain why that member was allowed to speak completely out of order, but my colleague was brought to order when he was responding to that member.

Madam Deputy Speaker: The hon. minister has done the honourable thing and has withdrawn all comments.

We will resume debate. The hon. member for Manicouagan had been recognized and had started his speech.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, I move:

That the House do now proceed to Orders of the Day.

[*English*]

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Madam Deputy Speaker: Motion carried. Orders of the Day.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

Madam Deputy Speaker: On a point of order, the hon. member for Winnipeg Transcona.

Mr. Blaikie: Madam Speaker, it is quite within the power of the hon. member for Manicouagan to move that we move to Orders of the Day but the Chair is under obligation to ask who is in favour of the motion, et cetera and—

Madam Deputy Speaker: I did. I did ask if it was the pleasure of the House to adopt the motion and the only thing that was heard was yes.

Point of order, the hon. member for Winnipeg Transcona.

Mr. Blaikie: Madam Speaker, at least you can recognize that there may have been some uncertainty given the distance between here and there and that you may not have heard members who said no when you asked.

You could ask again and see what happens. You could at least have the decency to do that, Madam Speaker, so that we could have a vote on this if indeed there are five members who are here to force a vote.

Madam Deputy Speaker: The question was very clear. The hon. member put the motion, I put the question to the House and nobody said no.

Orders of the day.

An hon. member: No.

Madam Deputy Speaker: I cannot see a point of order but I will of course listen to the hon. member for Winnipeg Transcona.

Mr. Blaikie: Madam Speaker, there is no need for the Chair to disgrace itself in this way—

[*Translation*]

Madam Deputy Speaker: I am well aware that the issue we are about to deal with is a very difficult one, as it is the object of much contention and kindles passion—

[*English*]

The hon. member will please allow the Chair to answer some of the concerns that have been raised.

An hon. member: Take a vote.

Mr. Barrett: You are being stupid.

Madam Deputy Speaker: I am on my feet. I would appreciate if the hon. member would withdraw that comment. That was not to me personally. I think not. Do not apologize to me but please apologize to the Chair and to this institution.

Mr. Barrett: Madam Speaker, when the Chair starts acting worthy of the respect that the Chair deserves I will start apologizing.

• (1050)

An hon. member: Point of order.

Madam Deputy Speaker: Just a minute, please. Let us go back a little bit. A motion was put from the floor. I put the motion to the House. I asked if the House was ready to adopt this motion. I have checked now with the Table and nobody at the table heard anyone say no. It might have been said but it was not heard at this end of the House. It is also the members' duty to make sure that they are heard. Certainly hon. members can do what is needed to be heard at this end of the House. This time they were not.

I declared the motion carried and the motion is carried. We will now proceed. I will now put the motion to the House.

Some hon. members: A point of order.

Madam Deputy Speaker: Mr. Wilson (Etobicoke Centre), seconded by Mr. Andre moves that Bill C–115, an act to—

Some hon. members: Point of order.

Madam Deputy Speaker: I am putting a motion to the House; it cannot be interrupted—an act to amend the North American free trade agreement be now read the second time and referred to a legislative committee in the Departmental envelope.

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

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

MEASURE TO ENACT

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister of International Trade) moved that Bill C–115, an act to implement the North American free trade agreement be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Madam Speaker—

Some hon. members: Point of order.

Madam Deputy Speaker: On a point of order, the hon. member for Esquimalt—Juan de Fuca.

Mr. Barrett: Madam Speaker, with respect, you said that you may not have heard nos, so you may have been in error. Yes, Madam Speaker, you said you may not have heard. That is the point that we are making.

Two members have said they said no. If you are calling them liars, which you are not doing, you said you may not have heard it. What I am suggesting is that you put the vote, based on an hon. member's word.

Some hon. members: Hear, hear.

[*Translation*]

Madam Deputy Speaker: I said I did not hear anyone say no, and the officers at the Table did not hear anyone either. I then made a decision, and that decision is maintained. I must say I do not appreciate the comments that are being made, both directly and indirectly, at this time. If hon. members disagree with the Chair's decision, which was made in good faith, there is a procedure with which hon. members are quite familiar, and they can use that procedure, under our Standing Orders. However, for the time being, the decision stands and is not open for discussion. The minister has the floor.

[*English*]

An hon. member: A point of order.

Mr. Wilson (Etobicoke Centre): Madam Speaker, I am pleased to rise—

• (1055)

Mr. Blaikie: A point of order. Did you hear that?

Madam Deputy Speaker: Yes, I did hear that. The hon. member for Winnipeg Transcona.

Mr. Blaikie: A point of order, Madam Speaker. You have not answered the question of the hon. member for Esquimalt—Juan de Fuca as to what you were calling the members who have made it clear to you that they said no when you asked the House. Are you calling these members liars?

[*Translation*]

Madam Deputy Speaker: I would never do anything like that. The point is not whether something was or was not said. I am saying that the Chair quite honestly heard nothing, and the same applies to the officers at the Table. So the case is closed.

[*English*]

Mr. Wilson (Etobicoke Centre): Madam Speaker, I do thank you very much. I am pleased to rise on debate on Bill—

Mr. Barrett: On a point of order. A point of order.

[*Translation*]

Madam Deputy Speaker: Are we still on the same point of order?

[*English*]

Mr. Barrett: Madam Speaker, I must be heard and I will ask my question.

Madam Deputy Speaker: I am asking a question of the hon. member. I would like to know if we are now discussing the same point of order which has previously been settled.

Mr. Barrett: Madam Speaker, this is my point of order. If members stand in their place in this Chamber and say that they had said a no that may not have been heard, is their word not to be taken that they said no? I want a ruling on that.

Madam Deputy Speaker: The hon. member may want to consider with some of his colleagues changes to our rules. Our rules right now say that if the nos are not heard, the motion is carried. This point of order is now settled and over with. The hon. minister. I will not hear any more.

Mr. Wilson (Etobicoke Centre): Madam Speaker, I want to before I commence the substance of my speech today to talk about the extensive consultation that has been held—

An hon. member: A point of order, Madam Speaker.

Some hon. members: Point of order. Point of order.

Mr. Wilson (Etobicoke Centre): —prior to the NAFTA negotiations—

An hon. member: You're going mad.

Mr. Wilson (Etobicoke Centre): —that relate to the consultative process that we have had through the international trade advisory committee, the central advisory groups on international trade, the work that we have done with the provinces, with other private sector organizations—

Some hon. members: A point of order.

Mr. Wilson (Etobicoke Centre): —consultations which took place right up until the very final stages of the negotiations.

Some hon. members: Order.

Some hon. members: A point of order.

Mr. Wilson (Etobicoke Centre): This was followed by committee pre-study during the month of November and into subsequent months that covered 9 cities, 119 organizations and many other briefs that were received.

Some hon. members: Order.

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): It has been the subject of virtually every Question Period during this time. It has been the subject of a number of opposition days.

Some hon. members: A point of order.

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): Indeed, my colleague from Etobicoke North went to the first of our ongoing conversations on the North American free trade agreement—

Some hon. members: A point of order.

Mr. Wilson (Etobicoke Centre): —and we on this side of the House have tried to activate the committee again to accommodate the suggestions of the New Democratic Party to hear more witnesses, but the New Democratic Party, as we can see again today has preferred to play pure politics with this.

Some hon. members: Order, order.

Mr. Wilson (Etobicoke Centre): Desperation politics I might say, because its members have seen where their standing is going in the polls. They are slipping out of sight. There is a very good reason why they are slipping out of sight and their fear is written all over their faces today.

We have been trying for days to reintroduce this legislation. New Democratic Party members have blocked us continually, as they are trying to do today. We must follow through with the proper parliamentary procedure of having second reading, moving the legislation into committee stage and then moving ahead with the implementing legislation.

Some hon. members: Point of order.

Mr. Wilson (Etobicoke Centre): Canada's economic prospects are brighter today than they have been for quite some time now. Economic indicators are confirming remarkable strength.

Eight and a half years ago when our government took office we recognized that the world was changing. We recognized that the transformation to a more integrated, global economy was accelerating and that Canada needed to respond. We developed and implemented a comprehensive—

• (1100)

Mr. Blaikie: Let them vote, like you should have, Madam Speaker.

Madam Deputy Speaker: The lack of respect that is being shown for this place today—

Mr. Barrett: Do not lecture us. Just stick to the rules.

An hon. member: Look who is talking about obeying the rules.

Mr. Barrett: I'll take my punishment under the rules but I do not want the rules changed by the Chair.

An hon. member: You'll take your punishment in the polls also.

An hon. member: Well, we won't have you to sell out our country for a mess of pottage either.

Madam Deputy Speaker: I will listen to the hon. member one more time, hoping that this time he will show some respect for the House, for the Chair and for the decision that has been made. The hon. member for Esquimalt—Juan de Fuca.

Mr. Rodriguez: A Tory should not lecture us about respect for the Chair.

Mr. Barrett: Madam Speaker, when I stand on my feet on a point of order it is out of respect for the rules of this House and the Chair. So I find it difficult to hear the Chair say: "I hope that you respect the Chair". I respect the Chair and the rules and I will live by those rules.

Two hon. members have given their word that they said no to your question, which you did not hear. The reasonable thing to do is to accept their word and put the vote. To deny that the members said no is, in effect, to call them liars and that is not acceptable from the Chair of this House.

That is my simple point. They have given their word. They said no. An hon. member's word must be accepted in this Chamber. You may not have heard the word, you may not have heard no, but they have said they said no and an hon. member's word must be heard in this Chamber. That is standard, traditional practice, Madam Speaker. That is not an insult to the Chair.

Mr. Nystrom: Madam Speaker, up until this point I have not intervened in the debate. May I make a suggestion I have seen happen many times in my number of years in this House. A number of Speakers, where there was some uncertainty, where there was some doubt or some dispute on both sides of the House, the Speaker would often put the question again to clarify the air.

It is with respect, Madam Speaker, that I suggest that to you. There is obviously some doubt. There are some members who are not pleased with the interpretation made. We could create a lot more peace in the House if you once again were to put the question, ask if there are yeas and nays, and then proceed in that way.

That has been done many times in the past. I think that would clear the air and resolve the situation in terms of the impasse we are in right now.

Mr. Thompson: Madam Speaker, when the question was put, I think that most members in the House recognized that the members of the party who are objecting to the decision basically fell asleep at the switch. It was very clear on this side of the House that the Chair made the right decision. We support the decision made by the Chair. There is no question at all, Madam Speaker, in that regard.

Mr. Breaugh: Madam Speaker, I want to try to put this with the complete understanding of someone who has occupied a position in the chair in another chamber of how awkward things can get at any given moment.

I am one who said no. I did not yell it, I did not scream it, but I did clearly and with some colleagues in this corner of the Chamber say no. The Chair, it was fairly obvious to me, did not hear me, nor perhaps did the table officers. I stood in my place to make the Chair aware that I had voted no to the motion. The Chair did not see me. I understand that. This is a big Chamber. I repeatedly stood in my place to try to make the Chair and the table officers aware that I had in fact said no to that particular motion.

• (1105)

Forgive me, but from where I am at this far end of the Chamber it seemed like this one lonely member was being ignored. It is not a big deal, but it is quite offensive for us at this end of the Chamber to have voted no to a motion, to have attempted to be recognized quietly without any furore and be ignored. I would plead with you in all fairness to simply put the question and allow our votes to be heard.

Mr. Blaikie: Madam Speaker, I rise on a point of order. I hope the Chair does not have the impression any of us enjoy what is happening here this morning.

We are here to oppose the government and the legislation the government is trying to bring before the House. We assumed a certain amount of goodwill when we moved the motion on concurrence that at some point the government would get up and move to go to Orders of the Day and there would be a vote.

We said no. There are people here who said no, but they did not yell no because they did not yell in the expectation that the Speaker would recognize that and move to have the vote, but people did say no.

Madam Speaker, I plead with you in the name of the Chair. It is a pointless dispute. It creates the perception, albeit I am sure unfounded, that the Chair is favouring the government in this respect.

All you have to do is call the vote. The government will win because it has the numbers. Then we can proceed to do what the government wants to do. We want the House to divide on this and the Chair's responsibility in this case is to permit the House to divide on this.

A week or so ago, we tried to have unanimous consent and the Chair ruled that a nod of the head was enough to deny a unanimous motion. Here we have members saying no, getting up and testifying to the fact they said no and the Speaker refusing to put the motion.

I plead with the Chair so the fight is not between the Chair and certain elements of the House, but continues to be between the government and the opposition on the North American free trade agreement to put the motion.

[*Translation*]

Mrs. Tardif: Madam Speaker, I would simply like to give my perspective on what is happening now in the House.

I remember that once, when I was dealing with a specific matter here in the House, the same thing happened to me. In a discussion with the Chair and the officers at the table it was explained to me that this was not a matter that could be tabled again. Once the question is put and the answer is heard, we must accept that decision.

Just because I am a member of the government, as I was at the time, there is no reason I should be treated differently.

An hon. member: It is a completely different matter here.

Mrs. Tardif: The circumstances were identical. I had said no and other members had said no, and the same decision was applied.

Madam Speaker, my point is that in this House, whatever happens, all members should be treated the same.

[*English*]

An hon. member: I never said no.

Mrs. Marleau: Madam Speaker, I rise on a point of order. As a member desiring to assist the Chair I want to tell you I was sitting in my place here when the question was put. I was looking over to the left of me and as far as I could hear there was no response when the question was put. In the interest of helping with the work of this Chamber, common sense might dictate that the question be put at this time.

Madam Deputy Speaker: I do not and did not, since it was brought to my attention, at any time doubt the word of members who said they did say no.

[*Translation*]

However, I assured the House that I did not hear them say I therefore declared the motion carried. At this point, since the House is the master of what it does and since I am obviously here to do what the House asks me to do, if there is unanimous consent, I am prepared to put the question again, and I would, of course, do so immediately. Is there unanimous consent?

• (1110)

Some hon. members: No.

Madam Deputy Speaker: There is no unanimous consent.

[*English*]

Mr. Scott (Hamilton—Wentworth): Madam Speaker, on a point of order, I have seen this kind of dispute in the House of Commons for well on 35 years, 20 years up there in the press gallery and 15 years here.

When we reach such an impasse, is it not advisable to adjourn the House for 15 minutes and let the key parties discuss how we are going to resolve this? It must look crazy to the public watching. To cool down tempers we should adjourn the House for 15 minutes and let the people involved discuss it.

Madam Deputy Speaker: What for?

[*Translation*]

I would like to read to the House a passage from Beauchesne's sixth edition, citation 558, which may help the House understand the problem we are now facing. As I said earlier, I do not doubt the word of hon. members who say they said no, and I do not think they doubt I am telling the truth when I say I did not hear them.

[*English*]

I think telling me I did not listen is really unfair. I did and I did not hear. This is a fact.

[*Translation*]

I then declared the motion carried. Citation 558 reads as follows:

> (1) An old rule of Parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the House."

That is where we are and I believe that we must resume the debate at this point. The hon. minister has the floor.

[*English*]

Mr. Wilson (Etobicoke Centre): As I was saying, in 1984 we created a comprehensive plan of action that covered a range of things such as privatization, deregulation, tax reform, fiscal control as well as means of allowing and encouraging the country to look outward through the negotiations on trade access, the GATT, the free trade agreement with the United States and now the NAFTA involving Mexico.

This has resulted in a very solid basis of support for the economic activities that are happening today. I believe our policies have helped our country weather the economic storms we have had over the past two or three years, and other economists would agree. Without this program of economic reforms, the impact of the global recession on Canada would have been much more severe. Today we are better positioned than ever to catch the next wave of strong economic expansion. That is what the recent economic statistics are indicating to us right now.

The bill before us today, when passed by Parliament will affirm Canada's foresight in negotiating the North American free trade agreement. When the agreement goes into force next January with the approval of all three countries, the North American free trade agreement will provide Canadians with a strengthened base from which to tackle the rugged terrain of the global marketplace.

[*Translation*]

The removal of trade barriers with Mexico, together with the opening up of the market achieved under Canada-United States free trade agreement will give us access to a dynamic market of 360 million consumers.

NAFTA will open the Mexican market to Canadians as never before. Tariff barriers, import licences, investment restrictions, trade balancing requirements and other barriers to Canadian exporters of goods and services will be removed.

• (1115)

Mexico already enjoys relatively open access to the Canadian market. In fact, almost 80 per cent of Mexican goods now enter Canada duty-free, so today we have effectively one-way free trade.

[*English*]

The improvement in market access under the NAFTA is much greater for Canadian goods going to Mexico than for Mexican goods coming to Canada.

In terms of trade barriers, Canada is dismantling a picket fence, whereas Mexico is hauling down a high stone wall.

In agriculture, we realize significant new opportunities to serve the growing Mexican market for food of all varieties, from fish and processed foods to apples and barley.

In transport, trucking firms and bus operators will have new access to Mexico.

In financial services, Canadian banks will be able to make major investments in the Mexican markets and this has already started with the Bank of Nova Scotia and the 5 per cent investment it has in one of the important Mexican banks.

For Canada's high technology industries, the immediate removal of Mexican duties on telecommunications equipment will provide a major opportunity for this highly competitive sector. They cannot wait to get into Mexico. I remind you of the comment by a representative of Glenayre Electronics Ltd. who said: "The NAFTA cannot come soon enough for us".

The NAFTA will eliminate the Mexican trade restrictions in the automotive sector which have been major impediments to the sale in Mexico of Canadian vehicles and auto parts. This will set right the current imbalance whereby, in contrast to Mexican restrictions, around 90 per cent of Mexican automotive exports enter Canada duty free.

I have time to mention only a few examples of these opportunities created by opening up the Mexican market to Canadians, but whether it is urban transportation equipment, pollution abatement and monitoring technology or oil field services and equipment, the opportunities we have negotiated for Canadians are numerous.

[*Translation*]

Improving the FTA was another of our objectives in developing NAFTA. We strengthened the system for settling trade disputes. We made the rules of origin clearer and more predictable. This will mean that disputes over the full North American content of Canadian built Hondas should be a thing of the past.

Disciplines in the agreement will help ensure that standards are not used as disguised protectionism.

Canada won expanded access to the U.S. market for textiles and apparel by negotiating special quotas that are higher than in the FTA. This will permit Canadian textile and clothing makers to further expand their export sales, which have already increased substantially under the FTA. Canadian apparel exports have increased by 150 per cent since the FTA was implemented; Canadian fibre exports have also grown by 90 per cent. Canadian exports of fabrics and other textile products show an increase of 50 per cent. NAFTA will provide even greater headroom for growth.

[*English*]

We also strengthened energy provisions through the NAFTA and obtained stronger disciplines on U.S. regulators from interfering with freely negotiated contracts between Canadian exporters and U.S. buyers.

• (1120)

We negotiated a very attractive government procurement deal and for the first time suppliers of Canadian building materials will have competitive access to U.S. and Mexican government construction contracts. For the first time Canadian service providers will have access to U.S. and Mexican government service contracts.

Moreover the U.S. has agreed to lift the buy America restrictions on loans provided under the rural electrification administration which is a contract pool amounting to some $1.5 billion U.S. a year. Even more exciting for Canadian firms, the U.S. under the NAFTA will waive the buy America restrictions on contracts let by the Army Corps of Engineers that last year by itself ran up almost $9 billion in procurement. This new government procurement market is now three to four times the size it was under the original free trade agreement.

We entered the negotiations intent on making improvements to the FTA and I think it is clear that we have done that. The NAFTA also gives a new edge to Canada's international competitiveness. It will enhance Canada's attractiveness as an investment base from which to serve all of North America.

Canada had a choice when it entered the negotiations. We could have stood back and let the United States and Mexico sign a deal by themselves. That is something that the Liberals and the NDP probably would have preferred us to do.

However, such an agreement would have given a tremendous advantage to the United States. The U.S. would have been the only country with barrier-free access to all of North America. Under those circumstances the decision for investors wanting to gain access to the entire North American market would have been obvious: locate in the United States.

Instead we made the right decision and that was to become a full partner of the wider North American market. In addition to the significant market opening to Mexico, the provisions for services and investment will support hemispheric business planning and economies of scale. These are significant advantages in today's global economy.

[*Translation*]

Canadian industry is already responding to the potential of the new larger market in view. Canadian firms are demonstrating the entrepreneurial daring essential to any country that would be a leader in world trade. They have sent delegations in record numbers to our trade missions in Mexico, made contacts, found partners and signed deals. Our embassy in Mexico City received 4,500 Canadian business visitors in 1992, eager to find new customers and partners in that market, up from approximately 1,000 in 1990.

NAFTA is clearly widening Canadian horizons. It is giving us a bigger stage on which to demonstrate our economic expertise and leadership.

[*English*]

Canadians can venture into new markets assured by the growing evidence of our increasing export success. We saw this so clearly last year, which was not a big year in the world economy. World economic growth over all grew by 1 per cent. It was the slowest since 1982 but it was an outstanding year for Canadian exporters. It is the export sector that is leading the way in the current expansion.

Merchandise exports for 1992 reached the record level of $158 billion, which is an 11 per cent increase year over year. That is the largest year over year increase since 1984.

The increases in our exports to the United States alone were even greater. Sales to the United States, our largest single market, were $122 billion or a 13.5 per cent increase over 1991.

This picture continues to get better as we move into 1992. Our total exports soared to $14.5 billion in January or 16 per cent higher than the same month the previous year. Exports to the United States in January were more than $2 billion higher or 22 per cent higher than the previous year. Our world trade surplus jumped a remarkable $900 million to reach $1.9 billion in January alone. When I see figures like these I have to wonder how long the hon. members opposite can continue to criticize the Canada—U.S. Free Trade Agreement. Blaming every sparrow that falls on the free trade agreement is no longer credible and gets less credible with every new report on Canada's economic performance and outlook.

• (1125)

It was the English historian Macaulay who said: "Free trade, one of the greatest blessings which a government can confer upon a people, is in almost every country unpopular". What he meant here was that no country ever pursued free trade without resistance from entrenched interests.

However, the single interest groups cannot fool all of the people all of the time. They can neither hide the evidence nor can they ignore it. All their diversionary tactics—we saw a lot of these this morning—and fear-mongering rhetoric cannot bury the truth. The benefits of the free trade agreement, buttressed as they are by the other economic reforms that we brought in, are emerging in the form of hard economic figures that cannot be denied. Evidence of the value of these policies are there for Canadians to judge for themselves. I am confident that Canadians after a fair appraisal of the facts will recognize where their best interests lie.

Look also at the composition of these exports. Canadian exports rose most sharply in 1992 in high-end manufacturing products. This is exactly what the opposition parties are saying we should have. However, their way is to snap their fingers and hope that it will happen. Our way is to remove the obstacles to these exports, the high-end manufacturing products, that are so important to our economy and watch them surge.

Where, though? They perform particularly well—and this point bears underscoring—in those sectors where tariffs have been eliminated by the free trade agreement or where they were being rapidly phased out.

Furthermore, Canada's share of a number of U.S. markets for value-added manufactured goods is growing. The amount of Canadian manufactured products as a percentage of the total U.S. market has risen and has now reached a record level. It now represents about 2.6 per cent of the United States market. That sounds like a small figure but it is not when one considers the large U.S. market. That figure represents a 20 per cent increase in Canada's share in the U.S. manufactured goods market in just a decade.

Transportation equipment and chemical, electrical, electronic and paper products are the sectors that are leading this expansion. Canada's exports to the United States of office, telecommunications and precision instruments was valued at $9.3 billion in 1991. That is up a remarkable 74 per cent since 1989 which was the first year of the FTA.

In the manufacturing sector these are the high-end products. They contain more value added by the highly skilled Canadian workers who make them and they represent the indispensable equipment of the new economy.

This is a success story that is rarely reported. Canadians deserve to hear of these results because if they hear them it will give them the confidence and the hope that we can compete, we are competing, we are winning that business and we are turning that business into jobs back home.

Canada saw the first strong evidence of post-recession job growth in 1992. A net 118,000 jobs were created in that year. That pace will certainly accelerate as the recovery strengthens. Even though the NAFTA is not in effect yet, Canadian companies are already exploring the increasingly robust and dynamic Mexican market that is benefiting from the reforms of the last seven years.

Canadians and Mexicans are signing contracts and making sales today. SR Telecom of Montreal has a $13 million contract to supply radio systems to 535 small Mexican villages. Royal Plastics Group of Toronto is drawing up plans for a joint venture to produce panels needed for housing in Mexico.

• (1130)

Consider for a moment the $1.5 billion contract that has been negotiated between Bovar-Western Research and Pemex, a state-owned oil company in Mexico. Bovar-Western Research is the first company ever to help Mexican petrochemical firms install instrumentation control for their sulphur recovery units.

Several weeks ago we learned of a $160 million joint venture by Quebec and Spain in Canadian petrochemical production to serve the whole North American market.

Finally, there is the contract by SHL Systemhouse to supply computer services amounting to $500 million over 10 years to the Mexican department of finance.

These few examples illustrate the marvels of international trade.

[*Translation*]

The sales I mentioned represent only a small sample of Canadian successes already achieved in the Mexican market. The marketplace is doing its job.

In the months and years to come, the Government of Canada will be helping more Canadians benefit from opportunities in the North American market. Two weeks ago, I announced our Access North America Program.

This program follows through the recommendations in the action plan of the prosperity initiative steering group. The action plan urged the government to make greater efforts to develop markets abroad. We are doing this.

Access North America will help make NAFTA work for Canada's benefit. It will help Canadians display their products and services at a permanent trade centre in Mexico City. It will help Canadians become better acquainted with the Mexican market through a program known as NewMex.

[*English*]

Yet what would my hon. friends opposite do? They would deny Canadians all the opportunities of this market and some of them would tear up not just the NAFTA but the free trade agreement as well. They have no vision of their own. They have no plan of action for Canada to play an important role in the global economy. They have no understanding of the impact of their actions on the economy and no confidence in the ability of Canadians to compete and take advantage of these markets as they have demonstrated over the past four years under the free trade agreement with the United States.

The opposition parties counsel withdrawal. They do not want an active Canada involved in the world. They want a catatonic Canada. For the benefit of my colleagues opposite that means putting Canada in a trance or a seizure with loss of sensation or consciousness. They want Canada to stagnate as a backwater.

Their policies would amount to planned paralysis, or worse, to the reckless abandonment of our largest trade relationship. They like to quote Gordon Ritchie from time to time. He was the deputy chief negotiator for the free trade agreement who said: "Those who want to rip up the free trade agreement say you cannot unscramble an egg".

One cannot go back to four years ago and put the companies that made the adjustment and that are taking advantage of the successes that are there into a position where they have the tariff and non-tariff barriers that were there before and upset the changes in investment that they have made since that time.

What would the opposition be saying if we had not joined the NAFTA negotiations? We would be under attack. We would be criticized by many of them for letting the United States march into the Mexican market while we sat passively and paralyzed on the side and sitting on our hands. You can hear them now, Madam Speaker.

Many in the opposition would have undoubtedly accused us of putting our industries at risk and of freezing them out of a prime commercial opportunity. They would have charged us with undermining Canada's drawing powers of location for investment. They would have condemned us for refusing to defend Canada's interests, but they cannot do that because we in this government did the right thing. We saw the future and wanted our rightful part in that future.

• (1135)

When the bill before us today is approved, it will lead us into the 21st century. One of the fundamental concerns of the next century will be the relationship between the developed and developing worlds.

I want to direct my comments to those in the New Democratic Party because this is of particular relevance to positions they have taken in the past. The NAFTA offers a positive prototype for those relations. Aid to the world's developing nations has too often realized only small and isolated victories in the war on poverty over the last 50 years. The developing nations increasingly admonish the developed world to realize that trade, not aid, is the key to a richer future.

[*Translation*]

Developing countries want the freedom to sell their goods and services on world markets, and to be able to buy goods and services and attract the investment that the developed world has to offer. This is the acknowledged key to their future development and prosperity. It is also essential for the developed world's continuing prosperity and to international peace and stability.

Greater trade and greater economic interdependence can defuse the resentment and envy that have too often been responsible in the past for international disorders ranging from famine to terrorism. Trade is a powerful antidote to conflict and a powerful support to international order. I say unambiguously that free trade is good foreign policy.

It is good for our relations with our Mexican friends and partners and also for our relations with countries in Latin America and beyond that may join NAFTA and other market-opening trade agreements in the future.

[*English*]

Yes, there have been some costs as companies or individuals adjust to this larger market. Some have lost their jobs. Some companies have shut down. That is regrettable, but unfortunately it is inevitable in a dynamic global economy.

Is the benefit not worth it? We are now a stronger economy, better able to compete and the export successes I described earlier prove that. Is there anyone in this House who would deny the benefits I have just described for developing nations? The transition to a full NAFTA will occur over a 10-year period, not too long to delay the benefits unduly and not too short for a reasonable transition for all three countries.

What are the other benefits? The conservation and protection of our natural resources, our air, land and water will be another preoccupation of the 21st century. Likewise the quality of life in the work place will be a concern of workers and managers everywhere.

The NAFTA breaks new ground in addressing environmental issues in ways never done in any trade agreement before. For example, the NAFTA specifically allows for the inclusion of scientific experts in the settling of trade disputes. It states that NAFTA partners should not lower environmental standards to attract investment.

Above all, the NAFTA recognizes the responsibility of all partners to maintain and improve their environmental standards. The NAFTA in its preamble lays out the broad objectives of the agreement and confirms a commitment of all three countries to improve working conditions and living standards and enhance and enforce workers' rights.

Canada is committed to pursuing additional environmental and labour accords in trilateral discussions with Mexico and the United States. That was our objective in February 1992 when we first put forward Canadian proposals in this regard. We welcome the initiative the Clinton administration has taken in bringing these proposals back to the table because they will lead to strengthened environmental co-operation among our three countries and an open dialogue about the work place in the new North American market.

• (1140)

The NAFTA has proved to be a powerful catalyst to pursue the environmental and labour agendas. While Canada had a number of bilateral agreements with Mexico on these subjects before the NAFTA negotiations, the trade talks have led to a more concentrated program of trilateral discussions.

Without the NAFTA, it is unlikely we would be preparing for the establishment of a North American commission on the environment today. The functions of this commission may well include harmonizing environmental standards at higher levels, developing limits for specific pollutants, promoting environmental science and technology and increasing public awareness of environmental issues.

In the labour discussions we will be pressing for the establishment of a trinational body to focus on the improvement of working conditions and living standards in all three countries. I am quoting here: "This type of commission would help give effect to the NAFTA's commitment to protect, enhance and enforce basic workers' rights".

Throughout the negotiations of the NAFTA and now as we negotiate these parallel agreements, we have been able to call on the knowledge and expertise of the provinces, labour organizations and environmental groups. They have played an extremely important role in helping the government develop and refine its agenda. They will continue to do so as the labour and environmental talks proceed in the weeks ahead. The NAFTA is part of this government's commitment to the quality of working life and sustainable development.

The NAFTA will contribute to economic growth. That is clear, but it will contribute in a way that takes into account the health and well-being of the population and the protection and preservation of the environment on which we depend.

The world of nations has been rapidly transformed into an increasingly interdependent global economy in just a matter of decades. The dawn of the 21st century rises over an interconnected marketplace that includes at the same time mass production for true world markets and very specialized production for highly individualized niche markets.

The way business is conducted today would have been inconceivable to our counterparts less than a generation ago. Fibre optics, laptop computers, fax transmissions, interactive video, the quick transformation of research into technology to create new products and services has ceased to amaze and is now routine. This government has worked hard to prepare our economy for the global marketplace. With the framework we have put into place Canadians will exploit it to their advantage.

Canadians do not fear the future. They are leaders. They make the future work for them and profit from it. The creation of a North American free trade area is one of the future's opportunities. It will contribute positively to our greater competitiveness and prosperity.

It provides us with a larger market, allowing us to take advantage of both economies of scale and market specialization. In doing so, it better equips Canadian industry and workers to tackle other world markets with increasing success. This applies not only to the larger Latin American market to which Mexico offers an obvious opening, but also to the economies of Asia-Pacific, Europe and the Middle East. Developing the skills and adapting to the demands of the North American free trade area will clearly assist us in other markets.

Eight and a half years ago, the government set itself the task of looking to the future and outward to the world. The opposition would like Canadians to hunker down in the claustrophobic shadow of the way things once were. This is not the fate this government wishes for this great nation. It wants to fulfil Canada's vocation as a world leader, committed to a stable international economy, environmentally sustainable growth, developing new markets and finding new economic partners.

• (1145)

When we pursue this progressive agenda, we inevitably create high quality jobs for Canadians and strengthen the foundations of our prosperity. The North American free trade agreement is proof and a solid demonstration of that commitment.

In closing, I travel to a lot of countries and a lot of trade missions. I meet many exporters from other countries and ask them: What country in the world would you like to have assured access to? What is your most important market? With what country would you like to have a fair and binding means of settling trade disputes? In all cases, the answer is the United States.

We have that with the free trade agreement. We have something others would give their eye teeth for. Now we are broadening the relationship to include Mexico. We are very fortunate people in Canada to have this. Let us not squander that success. Let us approve the free trade agreement with Canada, the United States and Mexico.

Hon. Roy MacLaren (Etobicoke North): Madam Speaker, one does not need to be a partisan of any particular political ideology to recognize that trade has emerged as one of the most important issues facing Canadians over the last several years.

In 1988 the country was embroiled in an unprecedented debate over the century-old question of whether Canada should enter into a free trade arrangement with the United States. Now, only four years later, Canadians are being asked to contemplate the inclusion of Mexico in a more extensive North American free trade agreement, an agreement which will, in all likelihood, be extended to other countries by the end of this decade.

This is taking place against a backdrop of the yet uncertain Uruguay round of the GATT which, if implemented, will be more pervasive and far-reaching than the agreement we are contemplating today.

Why trade is of increasing salience to Canadians is not a difficult question to answer. Globalization, the combined processes of increasing international trade, growing financial integration and rising direct foreign investment is rapidly opening national economies to the world, whether they want to be opened or not.

At root, this process is not being driven by ideologies or even policies, contrary to what its detractors may think, but mainly by technology and such superficially prosaic developments as microprocessors, fibre optic networks, communications satellites and transnational corporations.

Ironically, given its current ideological label, late 20th century globalization has come to epitomize what Karl Marx once postulated was the power of technological determinism. The minister quotes Macaulay and I am quoting Karl Marx.

For this same reason, globalization is immutable even for large, relatively self-sufficient economies such as the United States. Witness the profound re-evaluation which has taken hold of this once unshakeable and impenetrable economic fortress. There is the sudden realization that America is no longer an island entirely unto itself.

For a small open economy such as Canada's, globalization entails even more profound changes. Already Canada's exports account for 40 per cent of the total output of our private sector. One in five Canadian jobs are directly dependent on exports. Indeed, with the solitary exception of the now united Germany, Canada is the most trade-dependent nation in the world. It is a trend which, for the reasons I have noted, will only become more apparent in the years ahead.

• (1150)

It is becoming no exaggeration to say that everything we do in this country depends upon our success as a trading nation. By the same token, our success as a trading nation depends on the success of our economy and ultimately of our society and our people. In that very real sense, our domestic policy is becoming our trade policy and vice versa.

Yet in the midst of these profound changes I would suggest that Canada faces a curious paradox: Trade is of central and increasing importance not only to Canada's economic future but also to the way we shape our social and political structures. Yet at the same time globalization has rapidly overturned the traditional signposts of Canadian trade policy without necessarily revealing an obvious replacement.

I believed in 1988 as I believe today that Canada faces a fundamental decision as to where and how it wishes to place itself in an emerging global marketplace and the emerging economic alignments of the world community. Do we still believe that our negotiating interests are best served in the multilateral world of the GATT, an institution which has served Canada well since the Second World War, or should we also pursue our interests more in bilateral relations principally with the United States? Should Canada's economic future be cast in a global mould or are we now to limit our focus to a continental or hemispheric bloc? Is the socio-political dominance of the United States still a concern for Canadians or is this traditional concern now mitigated by the demands of a post cold war world, a multipolar world?

My basic point is that Canada is in need of a trade and competitiveness policy to guide us in an era of globalization and increasing interdependence. So far, despite the proud boasts about Canada's trade performance which we heard from the minister just a moment ago, this government has never attempted to articulate such a basic policy. It seems content to be swept along in the wake of globalization rather than attempt to plot a course and to navigate such changes to Canada's advantage. Traditionally Canada's trade policy as fashioned by successive Liberal governments has rested upon two pillars: liberalization of trade and multilateralism.

The first has been a response to the very nature of the Canadian economy. Although rich in natural resources and indeed human resources, our economy for geographic and demographic reasons has lacked sufficient diversity to approach anything like self-sufficiency. Canada has been and must continue to be a trading nation. More generally protectionism risks making the economy more inward looking, insulates it from uncompetitive forces in the international marketplace, and can distort the allocation of Canada's own resources. For these reasons our arrangements or institutions which promote more liberalized trade are in principle in Canada's national interests. Protectionism, in the classic Ricardian sense, is economically counterproductive at the best of times. In Canada's case, it is a luxury which we simply cannot afford.

The second pillar of Canada's traditional trade policy, multilateralism, has been a response to the concerns about our sovereignty. By trading on a multitude of fronts and by eschewing bilateral ties with larger economies, principally in the United States, Canada sought both to reduce its economic dependence on one partner and to preserve as much as is possible for a small, economically open country its independence.

More recently Canada has taken a leading role in post-Second World War multilateral institutions such as the IMF, the World Bank, the G-7, as well as the GATT, to embody that commitment to multilateralism which has long offered to Canadians the best protection of their sovereignty and of their national interests.

However, there are signs of late that Canada is being deflected from its traditional trade interests. Of immediate concern is the Canada-U.S. Free Trade Agreement which irrespective of whether it has produced the benefits that were promised, which the minister put before the House today, has had the undeniable effect of pulling the two national economies closer together, or harmonizing the Canadian with the U.S. This policy marked a significant deviation from Canada's traditional path, not because it promoted liberalized trade but rather, because it threatened to bind Canada even closer to the United States, to the exclusion of other countries.

• (1155)

Now we are being asked to extend what is in effect the free trade agreement to Mexico and potentially to other countries under a North American free trade agreement.

To the degree that such an agreement would liberalize Canada's trading relations within the hemisphere and encourage the region's development, this trend is to be applauded. Mexico boasts a population of over 85 million people, a degree of industrialization however segmented and imperfect, and geographic proximity to Canada, to production and to markets. Its economy is northward oriented.

We should not be led to believe, as the government has repeatedly attempted to assert, that at least in the medium term trade with Mexico will have a profound impact on our economy, positive or negative, or that it will serve to counterbalance our relationship with the United States. After all, only a small fraction of Canada's trade today is with Mexico.

It will be decades before the results make a significant impact on Canada's over-all economic performance. Even if our exports to Mexico double this year, they would still represent less than 1 per cent of our exports to the United States. This volume will, no doubt, increase in the future, a development we would welcome. However, given the global trends and the potential for rapid development in much of Mexico, not even the most optimistic supporters of NAFTA will pretend that Mexico can rank as one of Canada's major trading partners for the next decade or two.

Nor can the government pretend that a free trade agreement with Mexico was high on our list of national priorities. Such an agreement is in Mexico's interests as a means of counterbalancing the trade diversion arising out of the U.S.-Canada Free Trade Agreement, of cementing its recent economic reforms, and of attracting scarce foreign investment. An agreement is also in the interests of the United States, if only to enhance the economic and hence political security of its southern neighbour and to stem the flow of the illegal immigration.

Canada, however, has been drawn into these negotiations only by virtue of our existing arrangement with the United States. To this extent we find ourselves in the anomalous and ultimately vulnerable position of allowing our trade and foreign policy agenda to be driven by the priorities of the Mexican and the United States governments, not by our own national interests.

Much of this underscores the contradiction to Canada's traditional interests implied in the whole trend toward regional trading blocs: the European Community, the North American free trade area and a more nebulous Asian bloc which is threatening to diminish Canada's economic and trade links outside North America.

The implicit danger is that these developments will undermine the incentive to preserve and enhance the existing multilateral system, a fear underscored by the apparent willingness of the United States and Europe to walk away from the recent Uruguay round of the GATT without reaching an agreement on agricultural subsidies.

Indeed it can be argued that regional trading blocs are a subtle aspect of economic imperialism, with three economic superpowers, the United States, Germany and perhaps less willingly Japan, each carving out a continental hinterland in an effort to preserve their industrial pre-eminence. It is worth recalling that Canada sought out a preferential trade agreement with the United States in the first place, not because the latter was intent on becoming more liberalized but, on the contrary because the United States was threatening to become more protectionist.

Equally doubtful is the notion that Canada can aim to be part of hemispheric political arrangements along the lines of the European Community. The crucial difference of course between Europe and North America is that the former is multipolar. At present the European Community is comprised of 12 members, none of which can dominate the community as a whole. A united Germany, although clearly pre-eminent, represents less than one-quarter of the population and less than one-third of the community's total Gross Domestic Product.

• (1200)

In contrast, the United States' dominance of the North American continent is unparalleled. Its population and Gross Domestic Product are more than 10 times that of Canada. Even the addition of Mexico with one-twentieth of the United States Gross Domestic Product would do little to correct this imbalance. In contemplating supranational structures for North America or the western hemisphere however limited, Canada would implicitly be surrendering aspects of its sovereignty to the United States.

Even assuming for the moment that greater political and institutional integration is politically saleable in Canada, a likely assumption given the continuing nationalist concerns of the majority of Canadians, the United States is in no mood at present to contemplate any significant international restrictions on its authority, let alone the kind of supranationalism embraced by Europe both for ideological and national reasons.

The government has done little to address these and other fundamental concerns of Canadians as we approach the North American free trade agreement. Despite perfunctory support from the world community for the Canada-U.S. Free Trade Agreement, Canada quite rightly has been perceived as quietly turning away from multilateral trade. A much vaunted Pacific Rim initiative has yet to progress beyond the rhetorical stage. There has been virtually no attempt, public or private, to exploit the major opportunities opening in the European Community. Nor has the government taken the initiative to pursue opportunities in eastern Europe as a possible new trade option for Canada and, perhaps more important, as a back door into the European Community. As far as Latin America is concerned the government has failed to formulate, let alone implement, a trade strategy except in reaction to U.S. and Mexican initiatives. Both actively and passively, the government's whole approach to trade points to a fundamental drift, if not shift, toward continentalism.

It is still less than clear whether this government views NAFTA as but one step toward a global trade policy or as the last piece in an inward-looking continental bloc. Rising protectionist sentiments in the United States, together with higher North American content requirements in the North American free trade agreement only fuel concerns that Canada is drifting into a U.S. dominated continentalist form of protection.

This latter eventuality is hardly in Canada's national interest. As barriers to trade and investment fall, Canada must be prepared to compete with the world's best in Europe, in the Pacific Rim, as well as in North America, or risk watching our technology and productivity slip and our living standards steadily erode. Indeed the deteriorating competitive position of the United States together with the growing ascendancy of Europe and the Pacific Rim raise serious doubts as to whether North America is still the benchmark against which Canadian industry should measure itself. Moreover, Canada's growing trade deficits, the imbalances we must correct, are with our partners overseas, especially with Asia, and not with the United States with which we continue to enjoy a trade surplus. Lastly we cannot lose sight of the fact that trade in an interdependent world is largely about investment and that the United States, let alone Mexico and the rest of Latin America, is hardly flush with capital.

The movement toward regional economic integration can be seen as part of the broader movement toward global integration. Developments in telecommunications and transport are effectively diminishing geographic boundaries and constraints, thereby reducing the saliency of regions.

• (1205)

This is especially true with regard to trade and advanced technology industries and services. It would be naive to expect that there will ever be a time when Canada is not highly dependent on the North American economy. However, it would be equally naive to ignore that the world has changed dramatically since the 1960s and that Canada has greater means at its disposal today than at any point since World War I to break out of its continental constraints and to develop relations across the Pacific and across the Atlantic.

In short, if Canada is to take advantage of globalization rather than merely be swept along in its wake, we must pursue a far more independent and aggressive trade and competitiveness policy. We have the opportunity to build the first global trade and outward-oriented economy in North America, not just by reaching out to Mexico, but by actively seeking freer trade agreements with our major trading partners, notably in Asia and in the European Community. The alternative is the current policy of drift toward a decidedly more uncertain future.

Even with regard to the North American free trade arrangements, the government's work is at best half finished. Only the most sanguine would argue that the Canada-U.S. Free Trade Agreement has lived up to the extravagant promises made by the government in 1988. Its central justification was to secure access to the American market in the face of rising U.S. protectionism yet a whole series of recent trade disputes from Honda automobiles to softwood lumber have demonstrated just how tenuous that access really is.

One of the principal reasons why the Liberal Party supported Canada's participation in the NAFTA negotiations was to correct shortcomings in the original Canada-U.S. Free Trade Agreement. We called for tougher environmental standards. We called for tougher labour standards. We called for an accession clause to make it easier for other countries to join and thus to expand Canada's free trade options beyond the United States and Mexico. Most important, we called for the inclusion of a subsidies and an anti-dumping code that would put an end to the kind of trade harassment that has been eroding the so-called free trade environment between Canada and the United States and which would introduce a desperately needed degree of predictability into our entry into the yet untested waters of Mexico.

In some important respects NAFTA did indeed represent an improvement on the original Canada-U.S. Free Trade Agreement. Its greatest—if largely ignored—achievement is the inclusion of an access clause. If treated as a serious provision in the future this single clause has the potential to transform NAFTA from a continental bloc into a new and deeper level of world trading order, a GATT-plus if you will.

The NAFTA also promises to clarify the vexing question of rules of origin. Although this will emerge as a Pyrrhic victory, if in our efforts to appease the Americans over domestic content we merely succeed in driving additional overseas investment away from Canada.

There remains, however, a great flaw, the black hole if you will, at the centre of the NAFTA which threatens to undermine the success of the entire regime. That is of course the continuing absence of a common set of trading rules. Not only is there no definition of subsidies in the agreement nor a commitment to replace countervail action with competition law, even the free trade agreement's modest provision—it was a notably modest provision—to pursue these objectives within a specified time has been quietly dropped in the NAFTA to be replaced by a woolly commitment to pursue this goal in some undefined future consultations.

This is unacceptable. It is unacceptable because it ensures that the kind of trade harassment which we have seen in recent years over pork, softwood lumber and now steel will continue unabated. The argument that such actions only represent about 5 per cent of bilateral trade is surely spurious, given that such actions are typically launched against those Canadian exports which are enjoying some success, indeed growth, in the U.S. market.

• (1210)

Most important, the absence of common trading rules is unacceptable because in the long run it will undermine the legitimacy of the entire arrangement. NAFTA is essentially a political document. Its authority ultimately rests not on what Bagehot once called the "dignified letters" of the text but on the support it enjoys among the electorate of the three countries.

Nothing has done more to undermine enthusiasm in Canada for the NAFTA or for the free trade agreement even among its erstwhile supporters than the highly public spectacle of ongoing, punitive and seemingly groundless U.S. trade actions launched against Canada during the four years since the beginning of the supposed era of free trade.

It is this central issue of the rules of trade that is the real acid test of the success or failure of the free trade agreement and now NAFTA. As the Leader of the Official Opposition argued recently, without a common set of trade rules to govern the North American market, Canadian exports will continue to face trade harassment.

What is to be done? Ironically it is the United States that has provided an opening for change even at this late stage by making a condition of U.S. implementation of NAFTA the parallel accords on the environment and on labour standards and possibly on import surges. The new Clinton administration has provided Canada with an unexpected opportunity to put forward its own conditions for ratification: a coherent definition of subsidies under which all three countries are prepared to base their trade laws and a firm commitment to replace anti-dumping action with a common competition and anti-trust policy.

Moreover, the ambit of the negotiations has shifted somewhat in Canada's favour. In 1988 it was Canada that was the *demandeur*, increasingly dependent upon an agreement with the United States, not the least because of the vast political capital which the Conservative government had invested in the initiative.

Now Canada is arguably the country least dependent upon the outcome of NAFTA and in the best position to threaten to put on the brakes. Why not use our leverage, as the Americans are doing so successfully with their parallel accords, to fashion an agreement which more accurately reflects Canada's long-term national interests?

Against the argument that no agreement on subsidies can be reached, especially in the time available, I suggest that one already exists under the umbrella of the still pending Uruguay round of the GATT. The Dunkel text contains a perfectly acceptable subsidies code that is modelled in part on Canada's own submissions which has already been endorsed in principle by the main contracting parties, including Canada and the United States.

Why not simply transplant this existing subsidies code from the Uruguay round into a parallel accord? It would accompany the NAFTA in something of the same way that the United States is proposing with regard to the environmental and labour standards.

The government has repeatedly argued that Canada should be wary of embracing the idea of a subsidies and anti-dumping code. This is a spurious argument. For one thing no one is advocating the abandonment of domestic trade remedy law. We are talking about defining a common set of procedures and rules that will establish parameters within which legitimate trade law can be exercised.

More to the point surely is the fact that the Canadian economy is far more dependent upon exports to the United States than the Americans are on exports to Canada. This alone makes a compelling case for seeking an agreement that curtails the arbitrary use of trade remedy law on both sides of the border irrespective of those isolated Canadian sectors that currently benefit from protectionist trade practices.

• (1215)

NAFTA should be viewed as the beginning of a new approach to trade policy for Canada, and not as an end in itself. Armed with a new trading model based upon a core set of rules and procedures, Canada can move to extend free trade agreements to Japan, Europe, Australia and New Zealand all with the goal of making Canada the first truly open global economy in North America.

Beyond the discussion that we are having today of the NAFTA and behind that the free trade agreement with the United States, is how Canada equips itself to compete in an increasingly global market.

In a sense the free trade agreement and NAFTA may have accelerated what Canada will confront sooner or later and will certainly follow the successful conclusion of the pending Uruguay round of the GATT. In Canada the answer to what some see as challenges of the new global trading environment can also be seen as opportunities if we are adept enough at improving our competitive abilities.

By refusing to confront the need for root and branch reform of the way government services are delivered, the government has also refused to recognize the direct linkage between economic liberalization and the need for major domestic adjustment and reform.

As the Leader of the Opposition recently noted: "Trade agreements are not an end in themselves. The ultimate objective is to secure a better life for people. That means jobs with a future in industries with a future".

The success of freer trade grounds of the GATT that extend over the past three decades, although perhaps invisible to many, did undeniably contribute massively to Canada's affluence.

The reason is that they were matched by effective and comprehensive adjustment assistance programs, following the precedents of the various GATT rounds. The Macdonald royal commission, in recommending the negotiation of a free trade agreement with the United States, urged repeatedly that any such agreement should be matched with comprehensive adjustment assistance in the form of training, retraining, investment incentives, the elimination of interprovincial trade barriers and so forth.

The government moved on the recommendation with regard to free trade with the United States, but it did not complete the other half of the agenda. It did not offer Canadians that comprehensive opportunity to benefit from adjustment assistance programs so as to make them the real beneficiaries of freer trade instead of victims.

Among those who now find themselves in that wholly unacceptable statistic of the 10 per cent or more unemployed there are many who understand as clearly as the economists what globalization means. They not only want to work, they want to work smarter and be more productive, but they cannot do it alone. Business has a role, as does organized labour, but it is the national government that must assist business and labour with that collaboration to make Canadians more efficient.

What is needed now more than ever is for the national government in collaboration with the provinces, businesses and labour to create the framework and the institutions within which Canadians can adapt to international change, when such change can generate employment and prosperity instead of unemployment and a national loss of confidence. This is what to a real degree any debate about free trade should be about.

In a post-industrial, post cold war environment we need to develop a global trade and competitiveness strategy. We have the opportunity to build the first truly global outward-oriented economy in North America, not by just reaching out to Mexico but by actively seeking freer trade agreements with our other major trading partners overseas such as Japan and the European Community, but first we need to get the fundamentals right.

• (1220)

In this final act of the NAFTA drama, which we have before us today, we have the opportunity to write a very different conclusion from the one with which we were left in 1988. It will be evident to all Canadians that the opportunity to pursue a better agreement is available to this government, an opportunity has been opened in part by the initiative of the new United States administration in seeking parallel accords which will inevitably modify and change the nature of the treaty itself.

Why is it that this government is moving today to bring forward legislation to implement the North American free trade agreement without waiting, without discussing with Mexico and the United States the nature of those proposed parallel accords in areas which this side of the House has emphasized are important to Canada's future? I speak of the environment and labour standards.

This government has failed to take the opportunity presented by the change of administration in the United States to pursue Canada's own interests in seeking an agreement on a subsidies code, or more broadly, trading rules that would ensure Canadians are not subjected to the sort of trade harassment we have seen in recent years and would go a long way toward ensuring the freer trade environment from which all Canadians must ultimately benefit.

It is for that reason I move:

That the motion be amended by deleting all of the words after the word "That" and by substituting the following therefor:

Bill C-115, an act to implement the North American Free Trade Agreement, be not now read a second time, but that it be read a second time this day six months hence.

Mr. Langlois: Madam Speaker, on a point of order.

With the unanimous consent of the House, I move that the member for Esquimalt—Juan de Fuca be allowed 40 minutes to speak on the bill. While I am on my feet, I move that pursuant to Standing Order 26(1) the House continue to sit through the midday interruption today for the purpose of continuing consideration of Bill C-115, an act to implement the North American free trade agreement.

An hon. member: Agreed.

Madam Deputy Speaker: Just a moment. There are two different motions. Let us deal with the first one. I am sure the House will agree that the representative of the New Democratic Party will get 40 minutes to speak as will the people from the other parties.

An hon. member: Agreed.

Madam Deputy Speaker: That one is agreed.

The other motion which the hon. parliamentary secretary put to the House is not admissible at this time. It can only be done by unanimous consent. It cannot be done on a motion.

Some hon. members: No.

Madam Deputy Speaker: When people talk a little louder I hear very well. The motion is not accepted.

• (1225)

Mr. David Barrett (Esquimalt—Juan de Fuca): I suppose I should say I appreciate the courtesy of all the members of the House for extending my time. As a matter of record, I also consulted the members of the Bloc. They also indicated to me they would have agreed to this motion. I did not have the opportunity to speak to the independent members.

I want to start out by saying how much I have appreciated the opportunity to work with my colleague in the Liberal Party in the brief committee hearings we have had plus other debates on this matter.

While I disagree fundamentally with my colleague from the Liberal Party on position on this issue, the exchange we have shared has been useful in my opinion and I want that to go on the record. I also want it to go on the record that we have a fundamental difference of opinion on this.

The personal relationships I had with the brief subcommittee were important to me too. I have no personal rancour against any of the members I worked with, but I am deeply bitter and disappointed at the Conservative Party and the Conservative government for its handling of this issue, including what is happening today.

The government attempted to avoid massive public discussion on what may be the most important bill in this House in the last 50 years. The subcommittee was told it would be allowed to hold a few hearings, but there would be no money for advertising of those hearings. After our efforts to get the subcommittee going, we were told by the chairperson of that committee the government would not allocate five cents to advertise to the Canadian people that there would be some brief hearings across this country.

At the same time, the government spent millions of dollars on a referendum on the Constitution that would have changed the political landscape of this country, but it would not spend five cents to advertise committee hearings on a fundamental change of the economic constitution of this country.

To show how ridiculous that position was, I was forced to stand up in this Chamber and deal with a subcommittee's problems in Question Period. The Prime Minister, embarrassed as he was, announced we would be allowed to spend $30,000 to advertise in Canadian newspapers that we were holding these little hearings.

My colleague from the Liberal Party, the members of the subcommittee and I then rushed to a discussion of how we would spend this $30,000. We very quickly discovered we had five days to initiate advertising before the first hearings in Vancouver. We had five days' notice to get the ads in only two major newspapers in British Columbia. This is open democracy? This is sharing the good news with the people of Canada?

It is nothing more than crass cynicism by a government that has been drunk with power and has simply no understanding of its basic obligations to the people of this country, absolutely none.

These are the same people who, while they were in opposition, ran up this corridor and attacked the Speaker with the rule books in their hands. These are the same people who sanctimoniously attacked previous governments in this country saying they wanted openness in government. These are the same people I had to beg money from so there would be ads in the paper telling the people we were going to have these quiet little hearings somewhere. Let that go in the record.

Let it also go in the record that at the moment the debate is being called, another political circus is being staged so the media's attention will be drawn away from this Chamber as the government attempts to sneak this bill through.

Where are the members of the Chamber? On television. While we are in this Chamber, we see them all standing around at the Chateau Laurier watching the announcement of a leadership candidate for the Tory Party.

• (1230)

Their duty is here. The House's duty is here. The members of this country should know. Anybody who happens to be afflicted with a habit of watching this television channel should know it is the most contemptible behaviour I have ever seen in my 30 years in public office in this country. The contempt this government has for this issue and the closure it intends to bring into this House indicate it is frightened the Canadian people will find out exactly what is going on with this bill.

I heard the Minister for International Trade get up, recite statistics and interpretations, and attack colleagues in the Liberal Party and us. I understand that is a political game. But why does he not go on national television and have a debate with the Liberal member and me? If this issue is so important as the government says, why does it show it is afraid by closing the debate and giving only two days' notice? Our party will have only five speakers out of 45 duly elected members of Parliament whose constituents pay their wages and demand they come here. What about the right to speak? Only five will be able to speak.

The Liberals may have eight speakers. It is absolutely disgusting behaviour by a government that claimed it was interested in parliamentary reform. It is craft use of power and that has to go on the record too.

If things are so good in this country why are they so bad? We have had the pompous statements of a government that is afraid to deal with this debate openly and among the Canadian people. We have heard how it interprets the trade figures to show expanse in trade and great opportunities. Tell it to the two million people a week who line up for food in this country. The greatest growth economically has been in the number of poor in this country.

Transfer payments to the provinces are beginning to evaporate. The core and heartbeat of the secondary and tertiary industries, part of this country that pays the taxes so we can provide the services, has been ripped out of the guts of Ontario and downtown Montreal.

My good friends in the Liberal Party get up and say: "Oh, it is the NDP's fault in Ontario". We get up and say: "Oh, it is the Liberals' fault in Quebec". We point fingers at each other: "It is your party that did it". In reality it is not the Liberal Party in Quebec or the NDP in Ontario that did it. That Tory government over there did it. It is the one responsible for it.

What is regrettable, as we play these little political games at the provincial level, is the absence of a position of the Official Opposition in abrogating the free trade agreement and opposing NAFTA.

My good friend in the Liberal Party left the message today that this bill will implement NAFTA. He did not do this by guile but he made a fundamental error. This bill will be passed by the government majority but it will not implement NAFTA. The implementation date is January 1, 1994. The Canadian people have the right to ask the Conservatives if they are elected to government whether they will implement on January 1, 1994. They have a right to ask to the Liberal Party and the NDP that question as well.

Any attempt to allow the Canadian people to believe that this battle is over is wrong and false. The one hopeful aspect of this government's behaviour is it does not have enough time to avoid that January 1 deadline to implement the bill.

The Canadian people will have an election. During that election campaign, the Liberal Party, the Conservative Party, the New Democrats, the Bloc Quebecois and Independents will be asked this one fundamental question: "If I vote for you and your party forms a majority, will you implement NAFTA on January 1, 1994?" We know where the Conservatives stand. Their answer is yes. Our answer is no. Here is the question now in front of the Canadian people: Is it yes or no from the Liberal Party? They can say all they want—

• (1235)

Mr. Blaikie: They say maybe yes, maybe no.

Mr. Barrett: Oh, no, maybe is not good enough. The Canadian people have a right to know. Leaving the impression that it is being implemented is not correct. It was an undesigned error by my friend from Etobicoke. The reality is that the implementation date is January 1 and the electorate will have a decision to make about that.

We have heard a great deal about this government's new-found pious interest in human rights in Third World countries. This government has now announced that it is concerned about racial tensions in Third World countries. This country has said that we have to lift these people up and why is it that the New Democrats would be opposed to this deal? That is one of the greatest lines being used by the government against us in our opposition. In actual fact Mexico is a major violator of human rights. It is the Prime Minister of this country who has stood up piously and said that we should not trade or give aid to those countries who violate human rights.

What are we doing with Mexico? We have even had to allow refugee status for an elected senator of Mexico to come into this country so that his life can be protected because he is a member of the opposition of that country.

Would it matter if it was the NDP? Is that the answer? It is the fundamental stupidity of people on the back benches of this government who do not understand that human rights apply to everybody. If one intends to define human rights on the basis of politics, then that is sheer stupidity.

Mr. Arseneault: A good NDPer.

Mr. Barrett: Even when I defended the human rights of others I never used a political definition. I know that that member only speaks from his own background of ignorance and not for the government I am sure.

An hon. member: He should withdraw it.

Mr. Barrett: No, let it be. I do not deny his opinion. It could be stupid or racist or anything else, but he does not speak for the government I hope. I hope he does not speak for the government in that remark. That is what I am saying.

Mr. Clark (Brandon—Souris): He is not a member of the government, Dave, for goodness' sake.

Mr. Barrett: Are you saying that is the government's position?

Mr. Clark (Brandon—Souris): No, I am saying he is not a member of the government.

An hon. member: He is a Liberal.

Mr. Barrett: He is a Liberal? That is even worse. I apologize to the Conservative Party. I hope that the leader of the Liberal Party takes that member into the back room and spanks him intellectually for what he just said. Brush his teeth. Whatever you do with him, clean him up a bit because that was a stupid statement.

Mr. Blaikie: Wash his mouth out with soap.

Mr. Barrett: Here is a situation where we now have a Mexican senator seeking political refuge in this country. That is the country we are going to sign with?

Let us talk about the environment. I want to recall to the House the nice statements made by the minister. Oh, we are going to incorporate environmental law., Oh, yes, this is the first agreement that will have environmental protection in it. As a member of that committee, I wanted us to go to Matamoros, Mexico to see the results of the devastation from pollution. That can be ranked with a North American Chernobyl at Matamoros, Mexico. It is not radiation environmental damage, but certainly pollution from every form of chemical and toxic, poison waste being poured into open ditches in that city.

Mr. Blaikie: Free enterprise thrives there.

Mr. Barrett: Free enterprise. There are no rules or regulations. Leave Canada and leave the United States and go down to Mexico and allow this to happen.

• (1240)

The rate of birth defects in infants is 1 in 16 in that Brownsville, Texas and Matamoros area. Guess what? The residents of Brownsville, Texas have discovered that pollution knows no borders. The poisons, pesticides and chemical toxins that are being dumped into the soil and water in Matamoros, Mexico are coming right into Brownsville, Texas. What does the agreement have to say about that?

An hon. member: Nothing.

Mr. Barrett: Nothing. If the government is suggesting that there are parallel accords to deal with this problem, that was an initiative of the United States government and not the Canadian government. For goodness' sake, if it is really sincere about that then it should not allow the bill to go through this House without every member of this House seeing those parallel accords.

Has anybody in the press gallery of this great nation seen the parallel accords? Has anybody on the government backbenches seen the parallel accords? Has anybody here in this Chamber seen them? Yet we are asked by the minister to accept the flat argument that pollution is in the agreement. It is not even written yet. How in the world can it be in the agreement if it is not written yet?

It is to weep to see what is being done to this country. It is to weep to understand the cynical manipulation of what is going on here today. It is to weep to know that we will have one-half day more next week to debate this and then it is finished. We will get some little tiddly-widdly committee and we might visit some other cities maybe.

Speaking of that, the committee never even travelled to Montreal. It never travelled to Toronto. I suggested in the committee hearings that the reason we did not travel to Montreal and Toronto is because they are too big and there are too many people. They might come to the committee meeting. What an absurdity.

I also want to deal with some substantive factors that are inside the agreement and put them on the record. It is impossible to go through chapter and verse of what is in the agreement, but I have picked a couple of selective items so that members of this House can hear for themselves exactly what we are doing to our Canadian sovereignty and how this bill is a massive capitulation to mindless corporate greed and selfishness with no protection for ordinary people.

One may say that is an outrageous statement of clichés. It is an outrageous statement and it is full of clichés but it is tragically based on fact.

I want to bring to the attention of this House a document that has been distributed by the government called: "North American Free Trade Agreement: An Overview and Description". I want to refer specifically to what this government has signed. On page 16, under the paragraph of intellectual property rights, the following has been agreed to by the Conservative government, the Americans and the Mexican government: "Intellectual property rights, trade secrets generally," are acceptable "as well as protecting"—I want you to listen to this, Madam Speaker—"from disclosure by the government test data submitted by firms regarding the safety and efficacy of pharmaceutical and agrichemical products".

What did the government sign here? It has signed away the right and the responsibility of an elected government in Canada, and at the provincial level, that once given documentation on the efficacy of a pesticide or a pharmaceutical product that it cannot release the data to the public. What is the point of having a public health department? What is the point of allowing the Canadian people to believe those doctors and public health nurses who look after the children and the elderly of this country who are the whistleblowers against filth, vermin, germs and ill-health? Those whistleblowers are paid by Canadian taxpayers to protect us against pharmaceuticals and agriproducts that are toxins. What is the point of having a health department if we pass this to say that when the government gets the data on efficacy of drugs or of toxins on pharmaceutical products that it cannot release the document?

• (1245)

Mr. Rodriguez: A conspiracy of silence.

Mr. Barrett: A conspiracy of silence my friend. Do you think the doctors of this country know this? I bet they do not. Do you think the public health nurses know this? I bet they do not.

Mr. Rodriguez: Do you know it?

An hon. member: No.

Mr. Barrett: No.

Mr. Rodriguez: There is a doctor and he does not know it.

Mr. Barrett: Did you know, Madam Speaker, that not one letter was sent out to the health people and caregivers of this country to ask: "Do you think we should sign this right away?"

Do you remember the thalidomide tragedy, Madam Speaker, and the brave doctor in the United States? What was her name? Was it Kelsey, or something to that effect? That one brave woman in the bowels of the huge health bureaucracy in the United States put out a stamp and said: "No, thalidomide will not be sold in the United States". It did not happen here in Canada until after. Canada accepted it. There were no efficacy tests. There was no responsibility. Europe did the same.

After we learned from the thalidomide tragedy, that single woman doctor in the United States was given the highest civilian award possible in that country. What did Canada do then? It announced that we would have the same standards as the United States. That was a Liberal government. It was late and tragic. We still as taxpayers must share the burden, and rightly so, morally and ethically, to care for those victims of thalidomide in Canada. However, after that tragic incident we said: "Never again in Canada".

Let me warn all pregnant mothers. Let me warn all the elderly. Let me warn all children in this country and all parents who are concerned that the protection they thought would be there in perpetuity—never again the thalidomide scare—has all been signed away by that government over there.

I repeat. These are the words: "intellectual property rights, trade secrets generally, as well as protecting from disclosure by the government test data submitted by firms regarding the safety and efficacy of pharmaceutical and agrichemical products".

Have we heard anyone on the government side, the health department, the justice department, any of the candidates for the leadership or even the chief spokesperson for the government give an explanation as to why it signed these sovereign rights away? Has it consulted the Canadian people? This is one specific example of literally dozens of examples throughout this whole massive documentation of the agreement this government has signed with Mexico and the United States.

There is no protection for the environment. There are no health and safety standards. For those unemployed Canadians who are being chastised for using unemployment insurance as a bridge before they go back to work, let me tell them that the kind of work they will face within 18 months after this agreement is implemented is competing against Mexicans who are paid 80 cents an hour on average for the same jobs that pay $7 to $12 here in Canada.

Has there been one populist voice from the business community against this kind of thing? Not in this country. The big-business community has totally capitulated to this agreement because it is hand in glove with this government. If anybody thinks that there is going to be relief through the Conservatives then they should forget it. Big business is going to put its money on the Tories. It is going to sell the brand new leader and unless the Liberals have specific policies to announce they are going to be brushed aside in the debate.

That is the dilemma for the Official Opposition. The Liberals have not laid out exactly what it would change or do to protect Canadian workers or Canadian health. Since John Turner left the leadership of the Liberal Party it too has thrown in its hand with the same corporations that sponsor this government here.

Mr. Peterson: Balderdash.

Mr. Barrett: You can call it balderdash or any other uncomplimentary word you want. I have even better words for your position than balderdash. If you want to confess and repent your position on this, do it now. Do it quick because we do not have much time to debate this. The government is the one that is going to close this debate down.

• (1250)

In the United States there is a billionaire. In our culture it is important to define how much money you have got, not how much you have got up in your head or how much backbone you have got because we have abdicated defining human beings on those bases. Poets cannot make it in our society because they do not produce anything, just words.

Scientists are relegated to begging for research money because they are working out of an intellectual commitment.

But if you are greedy and you want to be measured in success, grab as much profit as you can under a wide open rapacious system that even the international Catholic church has now attacked as being the most serious evil facing mankind and that is rampant capitalism. Yes, it is the Catholic church that has defined the greatest sin now. They have even defined in the Catholic church that it is now a sin to exploit people by paying low wages. Under that definition every Catholic who is true to his or her faith who supports the free trade agreement is violating the tenets of the Catholic church and is being sinful.

I am not suggesting the church will excommunicate but I just want to warn Catholics as one who was educated in Catholic universities that they are open to sin if they support this agreement. The only organized group internationally that has defined what is a sin around this kind of agreement is the Catholic church and I applaud it with a great deal of enthusiasm.

Some hon. members: Hear, hear.

Mr. Barrett: Who is this billionaire in the United States that has all the attention of the talk shows and has all the attention of MTV? I never knew what MTV was until the election happened. Who is this fellow out of nowhere who picked up 20 per cent of the vote in the United States and appeared before a committee in that country? One Ross Perot. He would not vote for me and I am not sure about Ross getting my vote. But as a billionaire, he is that symbol of everything this government adores and believes in, the accumulation of massive wealth by a handful of individuals, the definition that the Tories would love to have as a candidate. That billionaire said if we signed this agreement with Mexico, Canada and the United States all we would hear was one big sucking sound as jobs left the United States and went into Mexico.

Mr. McCreath: Point of order, Madam Speaker. I am enjoying the remarks of my hon. friend. In order that he might finish his remarks and others might have an opportunity to participate I wonder if I might seek unanimous consent of the House to sit through the lunch hour.

Madam Deputy Speaker: The motion cannot be moved on a point of order, but unanimous consent was sought and was denied.

Mr. Barrett: Madam Speaker, I could ask that the rules be suspended and the government pass a motion that no closure will be used on this bill. It will have my support. Of course that is something I may address in a few minutes.

Madam Speaker, do you believe that the Canadian people had an opportunity to examine this closely? Do you believe that the people in Montreal, the people in Toronto who represent the visible minority community, ethnics and other communities which are suppressed economically in this country because of the kind of capitalist system we live under are participants in this kind of debate? They are deliberately at the bottom of the economic ladder because of policies of this government and preceding governments. Yet these people will be wooed by that government and by the Official Opposition without ever hearing a word of this debate and understanding the implications for them as new Canadians.

• (1255)

New Canadians will be among the first victims. Those who are generational in this country, the women, the marginalized workers, those across this country who have never had a chance to break through to the good life that the Prime Minister likes to boast about, will also be victims of this agreement.

Are there going to be town hall meetings by the official candidates for the Conservative Party on this issue?

An hon. member: No.

Mr. Barrett: Will there be an opportunity for reporters to ask: "How do you feel about this loss of sovereignty on the efficacy of drugs or of toxic things?"

Some hon. members: No.

Mr. Barrett: Do you think that the government will travel to each community where jobs will be lost and stand up and say: "I know it is painful, I know it is going to hurt you, but it is for the greater good?"

Some hon. members: No.

Mr. Barrett: Do you think that this government will lie again?

Some hon. members: Yes.

Mr. Barrett: Do you think that this government will say we will have massive retraining, as it promised in the de Grandpré report, and then lie again?

Some hon. members: Yes.

Mr. Barrett: Do you think that it will further harmonize in this country unemployment insurance legislation, health care, and every other part of the social fabric so that we can be forced down to the level of the United States, and not force it up to our level?

Some hon. members: Yes.

Mr. Barrett: Let me give you a specific example about that, Madam Speaker.

As the wife of the President of the United States travels through that country seeking to find a solution to the terrible problem of the lack of health care for a significant number of Americans, the Americans are looking to Canada as a possible solution. They are looking at Tommy Douglas' solution.

An hon. member: Right.

Mr. Barrett: Just a little aside, I remember when people used to talk about socialized medicine and they said that we were all a bunch of dangerous Reds, that socialism would take away the opportunity for the patient and the doctor to have a relationship. I was never interested in the relationship between the doctor and the patient. All I was interested in was paying the bills.

An hon. member: The same with the doctor.

Mr. Barrett: The same with the doctor.

What do we hear 25 years later? We hear the government benches and the Liberal benches saying: "Vote for us and we will improve medicare". How can they improve medicare if the taxation base is evaporating because of these trade deals? Where are the people who are going to pay the taxes?

I want to tell Mrs. Clinton that the devastation of the loss of nearly 500,000 jobs in this country because of the free trade agreement has cut a terrible swath through the services of health care, and they will never be allowed to initiate theirs if that job base goes to Mexico.

I also want to say this without rancour or personal vindictiveness, but I have yet to hear a Conservative member denounce socialized medicine, denounce the fact that Conservatives also use public health care. They also carry in their pockets that pinko card that allows them to go to the doctor anywhere in the world.

If they were serious about supporting health care, they should say so. On the other hand, if they attack socialism then I demand that they stand up and rip up their medicare cards before someone calls them hypocrites. Only a hypocrite would espouse the public health care system. Only a hypocrite would espouse a socialist health care system while attacking socialism.

I do not believe there is a single hypocrite over there, but I want them to prove it by ripping up their socialist health care cards and telling the world they are against pinko policies. In a pig's eye. Can a pig fly? They are opening themselves to the charge of hypocrisy by supporting health care that they do not believe in, as it is socialist, but at the same time ripping the guts out of the possibility of sustaining the taxation base necessary to support it.

An hon. member: What will NAFTA do to it?

Mr. Barrett: NAFTA will take away approximately another 8 per cent of that potential tax base within 18 months. As that tax base shrinks our unemployment will rise, in some regions beyond the 20 per cent figure.

• (1300)

In Newfoundland, in the maritimes and in large urban areas those people who first need entry level jobs to get work experience will not be given the opportunity because we signed this deal and those jobs will be gone.

Offshore investment and Canadian investment will go to Mexico. Canadian dollars in Canadian banks, which are saved by Canadian deposit holders who are paid a measly 1.5 per cent by the banks while the banks rip off 16 and 17 per cent on credit cards, will go to Mexico.

An hon. member: It is called greed.

Mr. Barrett: Some of the money held in self-directed RRSPs will also go to Mexico. Nothing will be spent here in Canada. Nothing to provide jobs here. They are all motivated by greed to make a quick profit in Mexico at the expense of Mexican workers.

We demand that Canadian wages and working conditions not go down to the Mexican level. If this government is serious about Third World development we demand that they come up to our level.

Madam Speaker, if you are blind to the clock, I have approximately four minutes to go. Let us not be hasty.

Madam Deputy Speaker: Does the House agree that we do not see the clock for the next four minutes?

Some hon. members: Agreed.

Mr. Barrett: Thank you, Madam Speaker. If this Canadian government believes that this agreement can provide the jobs to fuel the engine of growth then let it provide some details. How much money will come into this country once we sign this deal, and from where? How much indigenous generic capital will be mobilized in this country to provide jobs now?

There is no strategy, there is no plan. In that regard I agree with the Liberal critic who said the biggest flaw of all was the lack of planning, but the four letter word is also anathema to the Liberal Party. It is spelled p-l-a-n and it has never been used by the Liberal Party.

On the eve of a national election this destructive agreement that destroys sovereign control of Canadian interests in health care, environment and labour standards, that diminishes the capabilities and opportunities of Canadian people, and that says that we as a nation will now capitulate and give up forever our destiny as Canadians in a tough world by tying into the United States is ready to be signed.

I did not spend 25 years in public life to be present at the funeral of this country. We human beings have our weaknesses and our strengths. We have our passions and our ideologies. I want to urge all Canadians, regardless of passion and regardless of ideology, to understand that nothing less is at stake in this deal than Canada as we know it.

This bill could be aptly renamed as the Canada termination act. If we sign this agreement we put an end, a finish, to any idea that we will ever be masters in our own house again. That great cry of the province of Quebec, *maîtres chez nous*, ironically is shared by every single Canadian in every corner of this country about our beloved Canada.

We have never faced a government as bad as this in the history of our country. This government's policies and the efficacies of its policies have seen us destroy the hope, the dreams and the passions of those Canadians.

I welcome the next federal election. I hope to God that Canadian people study the issues, think clearly and force the parties to define their positions. The reckoning date is not this bill. Even if this bill passes in the House the reckoning date is January 1, 1994.

The government people vote for can save Canada or destroy it.

The New Democrats are opposed to this bill. The Tories are in favour of it. The Liberals are still on the fence, and they have to be part of the debate too.

[*Translation*]

Madam Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1:04 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NEW DEMOCRATIC PARTY

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, the eviction from the House of Commons of the member for Esquimalt—Juan de Fuca yesterday is the first such incident in years and came as a surprise to no one, especially the leader of the NDP.

I would suggest that the NDP members take heed of their leader's comments and once and for all allow this House to proceed in a constructive and orderly manner so that the business of the nation can take priority over the antics.

The leader of the NDP spoke just a few months ago about the chaos sometimes seen during Question Period. She said: "The abuse that is shouted back and forth, the heckling, and the histrionics strike me and my women colleagues as silly, childish, sometimes wounding and always counter productive".

An hon. member: Who said that?

Mr. Walker: That was the leader of the NDP. Never were more appropriate words spoken. Unfortunately for her, her party, the House of Commons and all of Canada these words fell on deaf ears in her own caucus.

* * *

PUBLIC WORKS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, both business and labour communities in Prince Edward Island and the maritime regions are responding to the decision in the courts regarding the fixed link project.

The United Brotherhood of Carpenters in Charlottetown says: "With 80 per cent of our members on UIC it is no longer reasonable for the majority to be held hostage forever by those who use environmental legislation and regulations to serve their own selfish concerns".

The Construction Association of P.E.I. says: "We are extremely concerned about the apparent delay in the construction of the bridge between P.E.I. and New Brunswick".

The Islanders for a Better Tomorrow say: "It is important that the clear majority of islanders have their wishes respected".

Proponents from the maritimes are calling on the government to fulfil the requirements of a section 12, as outlined in the recent court decision, so that the work on this project may begin.

I add my strong support to those who are calling for this decision to be made as soon as possible and in compliance with the judge's recent ruling.

* * *

NORTH THOMPSON RIVER

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, Multinational Water and Power is proceeding with plans to divert a portion of the flow of the North Thompson River in British Columbia for export by pipeline into the California market. This U.S. based company is now lobbying B.C. construction industries to bring them onside with the promise of jobs, jobs, jobs.

Contrary to this government's explanations water is defined as a commodity of trade under both the Canada-U.S. trade agreement and the proposed North American trade agreement, making the Multinational proposal a serious concern.

If this government is serious about preserving our Canadian water supplies it should put its money where its mouth is. U.S. President Clinton has said the NAFTA deal will not be signed until environmental concerns are met. This government should seize this opportunity to negotiate specific exclusions for the export of water.

The people of British Columbia do not want to see our fresh water supplies exploited for export. They know that once we turn the tap on, we are never going to turn it off.

* * *

CHANGE

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I would like to talk about change.

Parents and students are talking about spending more time in school during the school year. Workers are becoming ever more positive and enthusiastic about cross-training. Smart cars will eliminate traffic jams, spot tie-ups and tell drivers of alternative routes.

No-name Dave Nicol says that the baby boomers' gastronomic desires are Splendido pizza bread, hot, hot salsa and zipper back shrimp. In place of the simple copper wire and analog signals of the past there is now fibre-optic cable and digital transmission.

IBM and other majors have new changed ways of operating, such as independent units, noting plans to become more mobile, more entrepreneurial, and more service oriented.

Bob Rae is reported as saying, as reported in *The Globe and Mail*: "My own view about welfare is that simply paying people to sit at home is not smart".

Clear and transparent is the change desired. There is even Crystal Pepsi, Tab Clear, and clear Ivory Liquid and Palmolive.

• (1405)

Today I read that staid IBM dress is being replaced by an informal dress that will note more free thinking. Certainly it is a wave of change and the wave of change is very evident. Except—

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

* * *

EDUCATION

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, in a fast changing but slowly expanding economy, education has become the surest way of acquiring and maintaining employment.

Education, not experience, increasingly determines one's ability to compete in today's labour market.

[*Translation*]

More and more young Canadians are feeling the impact of the high cost of education and high unemployment. The government's cuts in the student employment program have forced thousands of students to reassess their ability to afford a post-secondary education.

Students in increasing numbers are turning to the Canada Student Loans Program for assistance.

[*English*]

This government must begin to view post-secondary education as a long-term investment. I urge the government to undertake a comprehensive review of the Canada Student Loans Program with the aim of increasing the flexibility and accessibility of the program while permitting students to secure employment prior to establishing repayment plans.

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ELIJAH HARPER

Mr. René Soetens (Ontario): Mr. Speaker, a socialist is a Liberal is a New Democrat is a socialist. Elijah Harper is now a candidate for the Liberal Party in Manitoba in the next election.

He is a former member of the New Democratic Party, a former NDP member of the legislature, and a former cabinet minister in the NDP Government of Manitoba. When he announced his candidacy for the Liberal Party he said that he would not have to compromise his principles from being a New Democrat to now being a Liberal.

That comes as no surprise to me. I have watched the opposition in this House for four years. There is no difference between a Liberal and a New Democrat. Socialism is alive and well in both parties.

* * *

CANADIAN AUTO WORKERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is with a great deal of pride that I announce that Canadian Auto Workers local 1990 has voted to affiliate with the New Democratic Party.

The local, representing 2,600 workers at Canadian Airlines and its partners, voted on the resolution at its annual convention in Port Elgin, Ontario. CAW President Buzz Hargrove said: "Workers of Canadian Airlines know which party has fought against privatization and deregulation. They know that the NDP is the only political party that stands up for working people and the Canadian airline industry. This is a grass roots decision. It was made after spirited debate by delegates from across the country and is the first time these people have decided to throw their full support behind the NDP".

* * *

THE REFORM PARTY

Mr. Arnold Malone (Crowfoot): Mr. Speaker, the Reform Party is cutting up again.

In the March 22 issue of *The Globe and Mail* it was reported that: "After asking its members to fill in questionnaires to help guide its policy, the Reform Party looked at only a small fraction of the forms and secretly shredded tens of thousands without reading them".

The Reform Party is not a grass roots party. It is a crab-grass roots party. How mean it is to ask people for their ideas and then to turn those ideas into mice nests. The report also indicated that other questionnaires are being read by laser reading machines. In my political party we have a program called Talk to a Tory; the Reform Party could have one called Liaison with a Laser.

The Reform Party is a bumper sticker party that tries to resolve major issues with slogans like the "The west wants in". Its next slogan should be "Read my laser".

Preston Manning, like the character in the Ninja Turtles, may now be called Shredder.

* * *

PAKISTAN

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, while the minister of minority rights of Pakistan is in Canada Canadians want to urge him to ensure that the human rights of Christian minorities in his country are respected.

Pakistan is an essentially Islamic state. Christian minorities number fewer than 1 per cent. There have been reports of growing anti-Christian violence and steps by the government to undermine their rights.

For example, Pakistan's blasphemy law states that anyone who does not accept Muhammad is a traitor to Pakistan. We are pleased however that the government has resisted taking other proposed repressive measures on several occasions.

Pakistan's Christians have been proud citizens since the founding of the country in 1947, and most resided in the area before the country was born.

• (1410)

The Government of Pakistan should take steps to assure maximum protection and full human rights for Christian minorities. Canada enjoys a good relationship with Pakistan and we want this to be continued. The best way is to ensure there are no religious and human rights violations of its minorities.

* * *

GREEK INDEPENDENCE DAY

Hon. John Bosley (Don Valley West): Mr. Speaker, I rise to pay special tribute to the Greek community in Canada as it prepares today to celebrate Greek Independence Day.

The roughly 350,000 Canadians of Greek descent are proud to celebrate that day in 1821 when their ancestors rose against the Ottoman empire, which had held a stranglehold on their homeland since 1453.

The Greek national consciousness went through a period of reawakening, led by the poets, scholars, writers, and revolutionary leaders of the day.

The 1821 revolt in Moldavia and the Peloponnesus inaugurated a decade of revolution and civil war in Greece. Most of the population picked up arms, while the commercial fleets of Greek merchants and islanders built a navy.

With independence achieved, surely no nationality is more in tune with the passion for freedom than the Greeks. It is indeed an honour and a privilege that so many of them have chosen Canada as their home.

We are the better for them and we wish them all a happy Greek Independence Day.

* * *

[*Translation*]

NDP GOVERNMENT IN ONTARIO

Mr. Mac Harb (Ottawa Centre): Once more, the NDP government in Ontario breaks one of its promises. This time, it is education.

After raising tuition fees, cutting bursaries and reducing funding for school-boards and universities, the NDP is now attacking second language teaching in Ontario.

The provincial education minister announced yesterday in Ottawa Centre, in my riding, and I quote: "We will have to soft-pedal French-language services in favour of other, more pressing needs".

My colleague from Ottawa—Vanier, Jean-Robert Gauthier, made the following point, and I quote: "There should be only one class of students in Canada. By denying Ontario's francophone minority access to education from grade one to university, the NDP is creating two classes of students and putting the seal of approval on linguistic discrimination".

The NDP government is also planning cuts in the budget for the Ontario Office of Francophone Affairs.

This is one more attack by the government on Ontario's francophone population. The NDP has demonstrated that protecting the French language is not a priority.

I want to join my Liberal colleagues in condemning this attack by the NDP on French language education in Ontario.

* * *

[*English*]

NATIONAL KIDNEY MONTH

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I am pleased to remind the House that March is National Kidney Month in Canada. Fourteen thousand Canadians and their families live with kidney disease.

The Kidney Foundation of Canada is a national volunteer organization dedicated to improving their health and quality of life. It funds research and clinical education, provides patient services to those living with kidney disorders, advocates for access to high quality health care and promotes awareness and commitment to organ donation.

Incidentally, the first kidney transplant in Canada was performed in 1958. Such innovative life-saving techniques were made possible in large measure as a result of research funded by the Kidney Foundation of Canada.

This March drive is the foundation's major source of funding. This year 90,000 volunteers will try to raise $5 million.

I would like to urge all members of this House and all Canadians to give generously. I ask them to please remember to sign their donor cards.

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AIRLINE INDUSTRY

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, on Monday I met in Winnipeg with representatives of the Air Canada employees' political action committee.

These employees of Air Canada in Winnipeg are rightly concerned about the future of the Canadian airline industry and the long-term effect of permitting American ownership in the Canadian industry.

They do not want to see the export of jobs to the U.S. or the demise of good airline and airline-related jobs in Canada. They believe that control of Canada's airline industry should remain in Canada and that a single Canadian-owned international airline would best be able to compete with other global carriers.

Too often the CAI/Air Canada debate is seen as a Montreal versus Calgary debate. The hundreds of Air Canada employees in Winnipeg are in the west too and they should be listened to. They have the interests of all of Canada at heart.

* * *

CHILDREN AND HOSPITALS WEEK

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I would like to remind the House that the week of March 21-27 is the 14th annual Children and Hospitals Week, an event sponsored by the Association for the Care of Children's Health. This year's theme is "Commitment to Caring".

During the week programs will be sponsored to increase public, parental and professional knowledge of the special needs of children in the health care system. The week is celebrated by many events that will appeal to and inform both children and adults.

The Association for the Care of Children's Health is a multidisciplinary organization of more than 200 hospitals and organizations, as well as 4,000 health care professionals and parents. For more than 25 years it has worked to promote comprehensive health services for children.

• (1415)

Please join with me in wishing everyone involved a very successful Children and Hospitals Week.

* * *

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, you will know that the government has imposed a 3 per cent tax on student loans. You will also know that it has added an additional six months' interest to student loans. You will know as well that it is proposing to privatize student loans and it may limit access to students to post-secondary education.

But did you know, Mr. Speaker, that right now as we meet today, there are tax collectors out there who are trying to get blood out of a stone? They are trying to get money paid back from students, young men and women sometimes with families, who have limited or no means to pay those loans back.

[*Translation*]

I want to ask the government to stop this harassment.

* * *

[*English*]

PEACEKEEPING

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, 214 Canadian military personnel and approximately 50 civilians are serving, the latter mostly as volunteers, in Cambodia as part of the United Nations Transitional Authority for Cambodia.

These Canadians are serving with distinction in a theatre where danger is a constant companion due to the growing number of land mines, the problems of deadly diseases such as falciparum malaria, the hazards of travel especially by helicopter and the constant possibility of confrontation with hostile military forces.

Thanks to the efforts of the United Nations force including the above-noted Canadians, the general election planned for May 23-25 will in all likelihood occur as scheduled. Regretfully, however, the refusal of the Khmer Rouge to co-operate in the electoral process means those Cambodians who reside in Khmer Rouge controlled territory will not be able to vote.

The harsh reality, moreover, is that a United Nations presence in Cambodia may well be required for a considerable period of time after the May election. The premature withdrawal of UN forces from Cambodia could well lead to the renewal of the armed conflict which for decades has tragically characterized the history of this troubled country.

ORAL QUESTION PERIOD

[*English*]

HELICOPTER PROGRAM

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of Finance.

I am told that earlier today in Vancouver the Minister of National Defence was asked whether she would choose between a national day care program and the military helicopter program. She said it was an unfair choice, a Hobson's choice, one that she would not make. She in fact made her choice, saying yes to the helicopters and no to day care.

Does the Minister of Finance agree with her choice, or will he scale back or cancel the helicopter program in his upcoming budget?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member's comments are an absolute distortion of what the Minister of National Defence had to say. I think it is very unfair for him to put that kind of an interpretation on the matter.

Hon. Herb Gray (Windsor West): Mr. Speaker, the transcript of the minister's remarks is there and I do not see why in the light of her significance in his party he could not answer the question.

I am going to ask him a supplementary, based on a report today by Canadian Press which says that supporters of the proposed new anti-submarine helicopters admit the aircraft would be virtually useless at guarding Canadian waters of the Arctic where nuclear submarines spend a lot of their time. The Canadian Press goes on to say that even the navy acknowledges there is no way to get sub-detecting sensors through the ice.

If the Minister of Finance is truly interested in sound management of public funds, should this information not make him re-think the acceptability and viability of this $5.8 billion helicopter program?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, each year the House allocates to the Department of National Defence sums of money under which it operates. It spends about 25 per cent of those sums on capital equipment each year renewing equipment.

A defence committee of this House unanimously agreed, with every party represented, that in fact there needed to be a replacement for the aging Sea King helicopters and that the replacement should be the EH-101. It could look after its role with the frigates in terms of sovereignty patrol, fisheries patrol, drug interdiction and anti-submarine if necessary, as well as search and rescue.

The reality is if the EH-101 contract were to be cancelled it would put the defence department in a situation where the frigates were unusable and we would not be able to rescue Canadians who were in distress in bad weather.

• (1420)

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a supplementary question, again for the Minister of Finance.

According to the Canadian Press, Fred Crickard, a retired rear admiral and a member of the Naval Officers' Association said: "The passive sonar equipment on the EH-101 would be very unsatisfactory even if you could get the sonabuoy (sensors) down, which you cannot".

[*Translation*]

Mr. Speaker, in the light of this statement, I want to ask the minister why the Minister of Finance insists on including the $5.8 billion helicopter program in the government's Main Estimates. Why can the minister not himself answer this straightforward question, since he is responsible for managing the government's finances?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member seems to be implying that Canada should acquire the capability of pursuing submarines under the ice pack as part of our sovereignty.

I am sure if he checked with his colleague, the former vice-chief of naval wing of the Canadian Armed Forces, he will realize the only way that could be done is by Canada acquiring nuclear submarines. Is that the position of the Liberal Party?

* * *

THE ECONOMY

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of Finance.

Despite the government's bravado, Canadian consumer confidence remains at an all-time low. The government continues to ignore a plan that can create thousands of jobs for unemployed Canadians, tackle environmental problems such as water quality and improve the global competitiveness of Canada's infrastructure.

This cost-shared infrastructure program would not add to the government's deficit but would create growth, jobs and confidence that the country desperately needs.

Why is the Minister of Finance ignoring a proposal that is proactive for this economy rather than continue his government's destructive policies of unemployment and devastation?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am sure the hon. member is aware of the reference I made to strategic capital investment in infrastructure in the December statement. In this statement we announced a $500 million fund to provide for highway improvements in all the provinces of Canada, particularly in the Atlantic region.

We announced and continue to pursue the fixed link which is worth $800 million. We also announced a program of improving federally owned bridges and roads within the parks. We made reference to the fact that we would be improving some of our railroad infrastructure, particularly grade separations, et cetera, establishing microwave landing systems, an electronic highway.

Over the next five years these initiatives will result in $2 billion worth of investment, creating some 4,000 to 5,000 jobs. This is clearly geared toward improving the competitiveness and the productivity of Canadian industry.

Mr. Joe Fontana (London East): Mr. Speaker, the government and this minister knows that is a pittance compared to what this country needs. The municipalities and the provincial governments are prepared to work with you, sir, in order to make this country work again.

I have a supplementary question for the minister. The minister has orchestrated a federal tax revolt because it is unilaterally refusing to pay its fair share to municipalities for services that other Canadians have to pay through their municipal taxes.

I want to ask the Minister of Finance if he will lift this government's unilateral freeze on grants in lieu of taxes until after the negotiations are completed with the municipalities and new legislation is introduced?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I know the hon. member's philosophy is spend, spend, spend.

What we have tried to do—

Some hon. members: Oh, oh.

Mr. Mazankowski: Spend, spend, spend, borrow, borrow, borrow, tax, tax, tax. That is the philosophy over there. No government can continue to sustain a policy of spending $1.33 for every $1 worth of revenue that was taken in. That could not be sustained. What we are doing here is containing—

• (1425)

Mr. Axworthy (Winnipeg South Centre): Cancel the helicopters.

Mr. Mazankowski: Well, sure, he says cancel the helicopters.

Some hon. members: Hear, hear.

Mr. Mazankowski: I am really surprised at the hon. member. He thinks that it is appropriate for servicemen and women to fly around in 35-year old helicopters.

Mr. Axworthy (Winnipeg South Centre): Fix them up.

Mr. Mazankowski: Fix them up, he says. That would be like the hon. member driving a 35-year old car. Why does he not fix his up?

Mr. Speaker: The hon. member for Yukon.

[*Translation*]

NORTH AMERICAN FREE TRADE AGREEMENT

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

It is clear this government will do everything it can to rush NAFTA through Parliament. It will impose time allocation. It has refused to hold serious consultations, although the agreement is far from being finalized. A former negotiator for the government has said that for Canada to adopt NAFTA at a time when the U.S. Congress wants to negotiate major changes is poor strategy. It is not good for business and it is not good for democracy. So why the rush?

[*English*]

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. leader of the NDP forgets to tell the House that we have, to an unprecedented degree, consulted with Parliament.

An hon. member: Oh, come on.

Mr. Hockin: The subcommittee that looked at this agreement has already heard 160 witnesses. We now have the bill before the House. We want to get the bill into committee so that it can be further looked at, even after all this pre-study, even after listening to 160 witnesses through the pre-study process. However, the hon. member's party will not let us put the bill into committee. They are simply blockading that process.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, surely the hon. member is clear that debate at second reading of a bill is debate on the principle of the bill. It is essential to have a full debate at second reading and on the principle of this bill and I want to—

Mr. Speaker: I am having some difficulty because I think these questions are in anticipation of debate. I wonder if the hon. member could put her question more appropriately.

Ms. McLaughlin: Thank you, Mr. Speaker. I can. The government is clearly confused on its own position. On December 18, 1990 I was told by the government that the inclusion of labour, social, environmental matters in NAFTA was a silly idea. I quote: "a silly idea". On June 13, 1991 I was told by the Minister for International Trade that such issues were not part of the actual trade negotiations yet now he calls these negotiations unnecessary bonuses.

My question to the government is simply this: The government is confused, the public needs more information. What is the hurry to ram through NAFTA?

Mr. Speaker: Just a minute. I think the hon. member is having some difficulty with the rules. The minister may want to reply, but it seems to me the question is out of order.

The hon. member on a supplemental.

Ms. McLaughlin: Mr. Speaker, it is clear that the United States, one of the major signatories to the NAFTA deal, is going to go through this process with extensive negotiations, extensive debate.

I want to ask the government simply this. Why is the government going ahead with legislation which is not complete? Canadians do not have the completed negotiations. I just want to simply ask the government—

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is rather interesting how the NDP takes its cue from the United States when it is convenient for it to do so.

I think perhaps I can help the hon. member out. In an interview with *Business World* Mr. Steve Van Houten, the president of the Canadian Manufacturers' Association was asked this question: "Has the free trade agreement helped or hindered your members?" Mr. Van Houten replied: "Oh, it has helped considerably. In fact, exports of manufactured goods from Canada to the United States have gone up by 60 per cent since the free trade agreement came into force".

• (1430)

Those who blame the free trade agreement for all of our ills and job losses frankly do not know what they are talking about. Without this business we would be in real trouble. The interviewer asked: "And are you looking toward NAFTA?" Mr. Van Houten: "Very much so, indeed, our members are behind it. They tell us so in a 10:1 kind of a ratio".

[*Translation*]

THE ECONOMY

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of Finance.

According to a study by the Canadian Tax Foundation, our tax burden has increased 25 per cent since 1980. Forty cents out of every dollar earned by Canadians today goes toward paying taxes.

Is the minister prepared to get the economy back on its feet, an economy that, according to 81 per cent of Canadians, is still in a recession, without adding to a tax burden that is even harder on the 85,000 people in Montreal who depend on food banks and on 216,000 unemployed workers in that city? Will he tell the House in no uncertain terms that in his next budget he will not raise taxes?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if I can enlist the co-operation of the hon. member and other hon. members to reduce government spending then we can reduce taxes. It is as simple as that. Every single, solitary attempt that we make to bring down government spending, they oppose it. They block, they filibuster and they do everything in their power to stop it.

Under the provisions of tax reform, I remind the hon. member that the personal income tax changes removed 850,000 low-income Canadians from the tax rolls and 250,000 were senior citizens. Nine out of ten Canadians age 65 and over saw their federal tax reduced. We will continue to do that, as I did in the budget and as I reconfirmed in the December statement.

* * *

EMPLOYMENT

Mrs. Diane Marleau (Sudbury): Mr. Speaker, in response to the hon. minister, I would like to make him an offer. Back down on the helicopters and we will support you 100 per cent.

As of last June, 17 per cent of Ontarians under the age of 60 were receiving some form of provincial or municipal welfare. This is three times the level it was during the early 1980s. Shameful figures.

Will the Minister of Finance take action in his upcoming budget to address the serious problem of joblessness in Ontario and in the rest of Canada?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, we have taken a number of steps. In the budget last February and in the December statement we have taken steps to improve the tax regime, the investment climate for the small business sector, and particularly for the manufacturing and processing sector.

I am sure the hon. member just heard my quote from Mr. Stephen Van Houten of the Canadian Manufacturers' Association which indicated very clearly that since the free trade agreement has been signed, manufactured shipments have increased by some 60 per cent. He also indicates that the North American free trade agreement will provide further opportunities. This will indeed create jobs.

As I said to the House yesterday, 12,328,000 Canadians are working. That is 1,328,000 more Canadians working today than there were when we came into office in September 1984.

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PEACEKEEPERS

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Yesterday, two Canadian peacekeepers were seriously injured by shell fire. I think we all admire their bravery and wish them speedy recovery.

I say to the minister that it just shows what a dangerous and untenable position we put our peacekeepers in. There is no authority or authorization to retaliate so they are defenceless. They cannot even protect the people they are there to help.

Will the minister go to the United Nations to seek a clear mandate to ensure that our troops are not left in a defenceless position so they can carry out their clear role that they want to carry out which is to protect the victims in Bosnia?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, as the hon. member has said, we are first of all very proud of our peacekeepers and we do everything we can as a government to ensure their safety and that the rules of engagement are clear. Those rules of engagement are established by the United Nations. We work very closely with them and through our military in assessing the capacity of our people to carry out their mission.

• (1435)

This does not mean that it should not be re-examined virtually on a constant basis and that is something that we do. It is something we are in constant touch with the United Nations about.

The situation that we find ourselves in as do others in Yugoslavia is different from the kind of situation we have found ourselves in before. We have worked closely with our own military and have had long discussions with them as to the capacity of our military to carry on their job.

Yes, we know that they can do that under extraordinary difficulties, but we are peacekeepers who have faced difficult missions before. This is not the first even though it is different from some others.

We are there because of the people of Yugoslavia who require our help and that of the international community. We will continue to do all we can for them as well as for our own people through the United Nations and through our own examination of our capacities.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I want to put my question to the minister.

The peace process in the former Yugoslavia is stalled in New York. There is continued violence and rape against civilians in Bosnia. Our troops are operating under a mandate that does not allow them to do the role they are sent to do. The Canadian member of the UN commission on war crimes said there are no resources to carry out that mission.

Is the minister not concerned about these problems? Is the minister not concerned that the entire UN mission in Bosnia is losing its credibility? Is it not the responsibility of Canada to make some new proposals, to take some new initiatives to try to restore the legitimacy and effectiveness of that action in that poor war-stricken country?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, Canada has been in the forefront of taking initiatives around the tragedy in the former Yugoslavia.

We helped the Secretary-General when he was redesigning and re-examining the whole concept of peacekeeping through his agenda for peace. The concept of bringing war criminals to trial as individual criminals internationally was a Canadian initiative at the London Conference on Yugoslavia.

We have provided resources. I have said publicly that I will support that initiative among other countries and advocate that other countries do the same.

Yes, the peace process at the moment is facing difficulties, but if ultimately there is going to be peace in Yugoslavia, there is going to have to be a negotiated settlement. The Security Council is, right now even as we are here, attempting to bring some conclusion to this. We are supporting it every step of the way and helping it in every way that we can and we will continue to do that.

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STUDENT LOANS

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is directed to the Secretary of State.

Mr. Nowlan: He was in his seat, Mr. Speaker. You were in your seat, Howard. Otherwise it is a farce. Mr. Speaker, this is important. You have to get out of your seat before you are recognized. Otherwise you should be off the list.

Mr. McCurdy: I do not know if I need a bodyguard or not to pursue this question.

Yesterday in response to a question the Secretary of State indicated that there had been wide consultation before the government introduced its new single bank monopoly Canada Student Loans Program.

We called the Canadian Federation of Students, the Canadian Association of University Teachers and the Association of Universities and Colleges of Canada and none of them had been consulted.

My question is for whoever is speaking for the Secretary of State. Why before introducing such an important program did the government fail to consult the university community or its students and why was it that they had to find out about this program by reading *The Globe and Mail*?

Hon. Paul Dick (Minister of Supply and Services): In the absence of the Secretary of State, Mr. Speaker, I will take notice of the question. I believe there has been some discussion going on but maybe not with the same people that the hon. member was talking to. I will bring it to her attention.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, perhaps the member can transmit this question to the Secretary of State or perhaps the Minister of Finance can answer the question. I want to ask how many banks have responded positively to the government proposal and what does this government intend to do if no banks respond to the government proposal, concede that the banks will dictate the conditions, or will it come up with a new program that is more responsive to the needs of needy students in the universities and colleges of this country?

• (1440)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I was advised yesterday that indeed there had been consultations about this matter through an advisory organization that did include the students group. That was confirmed to me by the Department of the Secretary of State yesterday.

The hon. member can shake his head in the negative but that is a fact. It was conducted by the previous Secretary of State.

In so far as the other part of his question is concerned there have been submissions received. They are currently being evaluated. I think the cut-off date was March 12. There will be further discussions with interested parties as the new approach is being developed.

I think the hon. member would recognize that the system that was in place was deficient and faulty. What we are trying to do is improve it so it will ensure there is access to student loans for students and to ensure it is done in a fair and equitable way and at a reasonable cost.

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GOVERNMENT APPOINTMENTS

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, it is a fundamental principle that no member of cabinet should ever be in a position to benefit in a direct and financial way from any cabinet decision.

Yet cabinet has appointed the former wife of the Minister of Supply and Services to a high-paying job, an appointment that directly and personally benefits the minister by putting him in a position to apply to the courts to reduce his alimony payments to his former wife.

Would the Deputy Prime Minister explain how cabinet could make a decision from which a member of cabinet, the Minister of Supply and Services, is in a position to benefit financially. Why is cabinet clearly using public money to get the minister off the hook on alimony payments?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, that has to rank as one of the lowest forms of questions we have ever heard in this place.

To suggest that Judge Judith Parish cannot be a human being in her own right and be selected for the post of citizenship judge, which is a government decision, and to suggest there is something wrong with that shows there is something very wrong with the thinking of that hon. member and those who applaud it. She will make an outstanding judge.

If she is going to criticize the spouses of members of Parliament, senators, or anybody else in terms of positions they might have in this government she had better look around at some of her own colleagues before she starts digging in that sewer.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, for once the hon. House leader is at least partly right. Any woman who has raised two children, managed a household and at the same time survived a political marriage is capable of carrying out almost any responsibility.

The question does not address the competence of the appointment. However, in light of the views expressed by both the House leader and the Prime Minister concerning the high esteem for women and their capabilities, esteem which I share by the way, can the Deputy Prime Minister please explain why Michael McSweeney, the Prime Minister's former baby-sitter and bag carrier, was appointed to a job at over $100,000 while the former wife of a cabinet minister gets an appointment at half the salary just to help the minister out with his support payments?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, perhaps the hon. member should talk to the hon. member for Saint-Denis about his sister who is a citizenship court judge. Or perhaps she should talk to Senator Keith Davey whose wife is on the Immigration Appeal Board. Or perhaps she should talk to Senator Leo Kolber whose wife is part of the CBC board.

Perhaps she should look around a little bit before she starts casting stones. People who live in glass houses should not cast stones and it is beneath contempt to slander these people in this House the way she has done.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the question is not whether this government has a right to appoint people to positions. The question is on the ethics of this government.

• (1445)

I want to ask the following question of the Acting Prime Minister. We know that on September 21 Michael McSweeney got a $95,000 a year job from this government. Rinaldo, the hairdresser of the Prime Minister's wife, sits on the Federal Business Development Bank. Former speech writer Keith Morgan got a 10-year appointment to the Parole Board, and the husband of the member for Louis-Hébert who interestingly enough is named Maurice Duplessis got a patronage job.

Has the Canadian public not been subjected to enough? Why does this government for once not say that it is going to respect the edicts that it imposed on itself in 1984?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, it is a horrible thing that a small business proprietor should be appointed to the board of the Federal Business Development Bank. That is a horrible thing.

It is a horrible thing that a former alderman of the city of Ottawa, elected by his fellow citizens to represent them in city council, should be considered too tainted as to be capable of taking on federal responsibilities.

It is a horrible thing that people got involved in political life or happen to be married to members of Parliament. If he is outraged about Maurice Duplessis, let us hear his outrage about the sister of the member for Saint-Denis. Let him be consistent rather than just slinging mud.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in 1984, the same Prime Minister said that political appointments would be beyond reproach.

[*English*]

The Prime Minister said in 1984 to another Prime Minister: "The least you could do is apologize for having made these horrible appointments".

I want to ask the Acting Prime Minister on behalf of the cabinet that made these appointments: Will he stand on behalf of his cabinet and apologize for these horrible appointments?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if there are apologies due it is from the hon. member for injuring the common sense and decency that ought to prevail here. He is the prolific mud-raker who digs around and has no problem slandering people who are here.

Each and every one of the appointments this government has made has been made on the basis of our conviction that they will do a good job in fulfilling the obligations we have asked them to take on. If the hon. member does not like that, that is too bad.

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TAXATION

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, my question is for the Minister of Finance.

This morning the Federation of Canadian Municipalities met with the Minister of Public Works over the freeze on grants in lieu of taxes announced by the Minister of Finance last year. By a single stroke on December 2 this government destroyed over 40 years of consultation with Canadian municipalities in this unilateral tax grab.

Will the minister assure municipal governments that there will be no freeze on grants this year or in the future without extensive meaningful consultation to find reasonable solutions that will not simply off-load federal tax burdens on municipal taxpayers?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am sure the hon. member is aware that this cost has increased very dramatically, by 77 per cent in the last six years, from $238 million in 1986-87 to $424 million in 1992. During this period there has been little increase in the inventory of federal properties.

The hon. member knows very well that we are going through difficult times. We have to constrain expenditures across the board. What has been done here is a freeze. We are attempting to work out a way in which we can put in place a better regime so that the grants in lieu of taxes will be distributed in a fair and equitable way. Those discussions are ongoing at the present time.

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ABORIGINAL AFFAIRS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the same minister.

Earlier this year the federal government cut 10 per cent of the funding to a number of organizations including the Indian and Métis friendship centres. Last week the provincial government in Manitoba cut provincial funding completely to many of these same organizations.

At the end of this month friendship centres, crisis centres and poverty organizations are closing their doors, laying off staff or eliminating programs.

• (1450)

Will the Minister of Finance recognize that at this time of high unemployment and the resulting family problems these organizations must be kept going? What good news does he have for these organizations?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if the hon. member had a chance to read the budget that was brought down by the province of Saskatchewan last week he would find out that provincial governments are facing the same difficulties as federal governments.

As a matter of fact if he looks at what the Government of Saskatchewan had to do, it has reduced its transfers to hospitals, to school-boards and to rural and urban municipalities anywhere from 3 per cent to 8 per cent, an actual reduction.

While we will try to provide some latitude and flexibility on this particular issue, we still have a very major challenge in reducing our fiscal deficit. We not only have a challenge to reduce it. We have a challenge to bring it down to zero. I hope I can call upon the hon. member for co-operation in that regard.

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FEED FREIGHT ASSISTANCE

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Agriculture and refers to one of the spending cuts.

Atlantic Canadian farmers accepted the 10 per cent cut in the Feed Freight Assistance Program. However they still want a fairer form of applying the reduction in a way that maintains the principle of the Feed Freight Assistance Act.

Has the minister accepted the plan by the Atlantic Canada Farmers Council, or does he have another proposal that will maintain the principle of the act?

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, I thank the member for his interest in this matter. I have to say that when I was given this job some three months ago he was one of the first members to contact me on this issue.

We have had ongoing discussions with the provinces affected as well as with the interest groups affected. We are trying to reach a solution that takes into account the principles he outlines from the Atlantic Farmers Council as well as all other individuals involved. I want to let the member know we are going to have to reach a solution pretty quickly. When we do we will do our very best to take the considerations he raises on behalf of his constituents into the over-all decision we make.

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ABORIGINAL AFFAIRS

Mr. Jack Iyerak Anawak (Nunatsiaq):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

My question is for the Minister of Finance, Mr. Speaker.

On March 16 the Legislative Assembly of the Northwest Territories unanimously passed a motion condemning this government for cutting programs and services important to the Northwest Territories and for disregarding the effects of these cuts on the people of the NWT, a majority of whom are aboriginal people.

Why has this government chosen to celebrate 1993, the United Nations International Year of Indigenous People, by inflicting additional hardships on the aboriginal people of the Northwest Territories?

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I think my hon. colleague is referring to the 1988 health transfer program with regard to the federal government's transfer to the Government of the Northwest Territories to fulfil our obligations with regard to their autonomy of looking after their health care and welfare issues.

That particular case is before the courts. It would be quite inappropriate for me to make any further comment until the case is resolved.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my supplementary question is for the Minister of Finance, in the absence of the Secretary of State who I might add moved the United Nations motion to recognize 1993 as the year of the indigenous people.

Among the cuts condemned by the NWT legislative assembly in its motion is the cut to the Canada-NWT language co-operation agreement. Under this agreement the federal government is obliged to fully fund the provision of services in French and to preserve, develop and enhance aboriginal languages.

Why has the minister disregarded his obligation under the terms of this agreement? Will he agree today to revoke these cuts?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I have indicated in this House on many occasions, the increase in transfers to the provinces and the territories has been growing at the rate of 5.2 per cent per year or 60 per cent since the time we came into office. In the area of the Canada Assistance Program, for example, that rate of growth has been 8 per cent per year.

I should say as well in terms of our expenditures for the aboriginal community that the expenditures have doubled since we have come into office from about $1.4 billion or $1.5 billion to $3 billion.

• (1455)

That hardly strikes me as a signal that the government is not concerned about the welfare of the aboriginal people. I think that kind of growth, which is something in the area of 8 per cent per year, is quite substantial. At a time when we are under very severe fiscal restraint and fiscal pressures we still continue to increase that budget substantially.

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THE ECONOMY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is also for the Minister of Finance.

Despite the claims of his government that the recession is over, Canadians know a very different story and those same Canadians have no faith in this government's management of the national economy.

In fact in a recent survey over 81 per cent of Canadians felt that they were still in an economic recession and that there was not any hope for an immediate withdrawal from that.

I ask the minister who is in the process of preparing a budget for next month: Has the government heard the voices of Canadians? Is it finally prepared to commit itself to a job creation budget that would not only produce some much needed job opportunities but instil some much needed confidence in both the marketplace and consumers?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I can appreciate what the hon. member is saying. We have said all along that the recovery was going to be a slow and painful process because there is substantial restructuring and adjustment that still have to take place. I think he would agree with me that the fourth quarter of 1992 experienced growth of 3.5 per cent. That seems to be continuing into the first quarter.

I can tell my hon. friend that in the course of consultations I have been engaged in, in preparation of a budget, the indicator I have been getting from Canadians far and wide right across the board—and we have consulted with all sectors of Canadian society—is that we have to address the difficulties of the deficit and the debt; that we have to to do it in a co-ordinated fashion, both at the federal and the provincial levels; and that we have to do it through cost cutting measures and not through increases in taxation.

That approach is serving us well because we have got inflation down. We have got interest rates down. Unemployment is starting to come down. Employment has increased, I believe, in eight or nine of the last consecutive months. The composite indicators are looking good. We have the small business sector with a new Small Businesses Loans Act. The Bank of Nova Scotia just announced a 6 per cent prime rate of interest for small business loans. We think that is a very positive effect.

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is for the same minister.

As a result of this government's 37 tax increases including the dreaded GST both small and medium sized business, as well as working and middle class families, have never ever been squeezed as much as they have. This has obviously put the lid on economic activity.

Given that this is a reality why did the minister refuse yesterday to rule out further individual tax increases? Rather than try to further shrink the pocketbooks of individual Canadians with additional taxes, why does he not try to make the economy grow and provide opportunities, confidence and hope?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I indicated earlier, under tax reform we took 850,000 low income Canadians off the tax rolls. Two hundred and fifty thousand of them were senior citizens, and nine out of ten Canadians aged 65 and over are paying reduced taxation.

We now have growth in the economy. The unemployment rate is down. The help wanted index is up. Department store sales are up. Retail sales are up. The prime rate is at 6 per cent, the lowest in 20 years. We have mortgage rates, the lowest in 35 years. We have housing prices down. Retail—

Mr. Speaker: We should press on. The hon. member for Simcoe Centre.

* * *

YOUNG OFFENDERS

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, my question is for the Solicitor General. It is time to stop protecting young offenders who commit violent crimes. When the charter protects individual rights at the expense of public good then the charter has gone beyond the limit of the initial intent of the Charter of Rights and Freedoms.

To be just, we must balance the rights of the victim, the rights of society and the rights of the offender. I cannot accept that our laws cannot reflect more closely the values of our society. If there is political will it can be done.

• (1500)

Could the Solicitor General tell the House what is being done to address this issue of great concern to my constituents of Simcoe Centre?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, the recent amendments to the Young Offenders Act which balanced the protection of the public with the interests of the young person have made it easier to transfer young people to adult court.

The House will know that the Court of Appeal recently upheld them as being within the Charter of Rights and Freedoms. I know the Minister of Justice is looking at further amendments to the Young Offenders Act and anticipates bringing them in as soon as possible.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of His Excellency, Dr. Egon Klepsch, President of the European Parliament.

Some hon. members: Hear, hear.

Mr. Speaker: I also wish to draw to the attention of members the presence in the gallery of Mr. Necmettin Cevheri, Minister of Agriculture and Rural Development for Turkey.

Some hon. members: Hear, hear.

Mr. Speaker: Also in the gallery today is Senator Zofia Kuratowska from Poland.

Some hon. members: Hear, hear.

[*Translation*]

PRIVILEGE

ORAL QUESTION PERIOD

Hon. Marcel Prud'homme (Saint-Denis): Mr. Speaker, there was a very vigorous exchange during Question Period about government appointments.

I learned from my father that one must never act in the heat of anger, but as the Standing Orders require, in such cases, the point must be raised at the first opportunity, I would not want people to think that I am passing it up. Since I was not present for the full exchange that took place between the person whom the Standing Orders require me to call the hon. minister and some of my colleagues, I would like to serve notice that I will read over what was said when I have a quiet moment, so that I can have an exact idea of what happened.

Right now, I would like to reserve my privilege to pursue this question. I hope that my colleagues will note once again that some things can be done in this House and others cannot, but above all, that anger is certainly the worst master when we have a discussion or wish to pursue a debate.

So I will try to heed that advice, but I assure you that I carefully noted only part of that exchange. I will examine it at leisure, but I will certainly act. I can assure you that I will act in my own way, which may not be the way others would act.

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, perhaps in this context it might be useful for me to make a point at this time. The hon. member for Saint-Denis was mentioned in the exchange and in particular his sister, Rita, who is a Citizenship Court judge.

Let me make the point very clearly that the Prime Minister, after 30 years of friendship with both the hon. member and his sister, directly intervened and was delighted to reappoint her a Citizenship Court judge. If there was any connotation of something wrong with that, I would certainly want to remove it from the hon. member's mind. There was certainly nothing wrong with it. Judge Prud'homme was reappointed with pleasure and confidence that she would continue to do a good job.

I was simply making the point in regard to questions from the other side about a former spouse of a member that the relationship between family and talking about something being inappropriate is demeaning to the individual involved who is appointed. I do not think that is proper conduct in the House.

Michael McSweeney was mentioned. He is a graduate of the University of Ottawa. He has a masters degree in public administration from Harvard University. He is a former councillor and deputy mayor, precisely the kind of person who should be—

• (1505)

Mr. Speaker: We are getting into debate and I think we will leave it at that. The hon. member for Saint-Denis has raised the matter and he wishes to consider *Hansard*. I would hear him if he feels it is necessary to raise it further.

Mr. Nowlan: Mr. Speaker, I did not intend to get into this debate and I do not intend to. I rose on another reason. However, when the government House leader started to use names including that of Michael McSweeney, who is a very interesting individual whom I first employed in my office and I am not casting aspersions, in response to a situation—

Mr. Speaker: Just a moment. We are again getting into debate. I think the hon. member for Annapolis Valley—Hants has a point of order though and I would hear it.

* * *

POINT OF ORDER

QUESTION PERIOD

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I would not have mentioned Michael McSweeney but I do not equate him with Judy Dick.

Be that as it may, I do have a point of order. I see the Secretary of State for External Affairs, who is here more often now that she made a decision on her personal and political life—

Mr. Speaker: Perhaps the hon. member could make the point if there is one.

Mr. Nowlan: Mr. Speaker, there is difficulty sometimes in getting recognized in this mute corner over here that caused so much problem earlier in the day. I understand that and I understand the problems with independents. I will not accept any more, as long as I am in the House, that somehow with telepathic knowledge the Speaker will recognize people for either statements or questions who do not even levitate from their seat.

As long as that continues I will sit here on the backbench and make as much noise as I can because I do try to do my parliamentary aerobics to see if I can get recognition. That is my point of order.

Mr. Speaker, you and I know that I have had a point of privilege for a long time. I do not want to cause a disturbance. You have had enough today, but I am suggesting, Mr. Speaker, that you keep some control. I say to all members that they had better get up off their seat if they are going to catch the blind eye of an interested Speaker.

Mr. Speaker: I anticipated this point of order. I want to say to the hon. member for Annapolis Valley—Hants that it is because I realize how modest and diffident our colleagues are that I have encouraged them occasionally to get up.

I do not want to delve into all of the potential discussions that could take place with respect to a list which I seem to be handed each day, for guidance only of course. I do not have to make any particular ruling. I am sure that the hon. member's comments have been heard by our colleagues and perhaps members will be rising with greater speed and precision in the future.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the government House leader. Could he indicate to the House the business for the remainder of this day, as well as Friday and next week?

Perhaps while he is on his feet he could say whether or not he could share with the House the subject matter of the conflict of interest we had discussed earlier in the House leaders meeting. I think it is incumbent upon us to get back to the hon. minister.

I want to indicate to him that we are prepared to proceed with that subject matter, but I am wondering if he could give me a timeframe. Also, in terms of the continuation of the debate as it relates to Bill C-115, the NAFTA bill, I wonder when he might be calling that for further discussions.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, this afternoon we will begin second reading of Bill C-118, the amendments to the Export Development Act.

• (1510)

Tomorrow we will begin second reading of Bill C-117, the Borrowing Authority Act. On Monday we will do report stage of Bill C-92, the income tax technical act, after which we hope to complete report stage and third reading of Bill S-8, the Motor Vehicle Safety Act. On Tuesday we hope to continue with Bill C-92. I will enter into discussions with the House leaders opposite in terms of the rest of that week.

In respect to the conflict of interest legislation, given that this legislation had come out of and was based on unanimous recommendation of a committee of this House, I was hopeful that we could have a limited debate on second reading, get it to committee and have it examined by the House for passage prior to the summer break.

I have been soliciting support from the opposition to see if we could do it this evening because to set aside the legislation which I would like to get passed before the end of this month would result in significant economic cost to the taxpayer. In other words, if we do not get them passed there will be money spent and wasted as a result of the failure to get the bills passed in a timely fashion. Hence the request for an evening sitting.

The same thing is true of the Canada Elections Act amendments, as they are the result of all-committee deliberations and received committee study. I would like to get report stage and third reading so the Chief Electoral Officer can put the legislation in place before the next election. That will not be possible if it is delayed more than a week or two.

I have not been able to get the agreement of the New Democratic Party to extra hours of sitting either at noon or in the evenings to accomplish that. After some frustration at the Department of Finance, I suggested setting aside a day for passage of the conflict of interest legislation at second reading and of the report stage and third reading of the Canada Elections Act. The New Democratic Party turned me down on that as well.

Mr. Dingwall: Mr. Speaker, I do not want to negotiate on the floor of the House, but I do want to indicate to the government House leader, as it is my responsibility to report back to him, that with regard to amendments to the Canada Elections Act there are some difficulties with that particular piece of legislation. I understand that negotiations among the political parties are still continuing.

With regard to the conflict of interest legislation, since it is a subject matter that affects all members and all members have had an opportunity to participate in drafting that particular piece of legislation we would be prepared to move on it, perhaps not this week but if negotiations could be completed we would be prepared to proceed next week.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I might begin by saying that the government House leader indicated that he had made a proposal with respect to passing Bill C-114 and Bill C-116. We do not make any apologies for not agreeing to pass bills concerning electoral reform and conflict of interest, two very broad topics that Canadians would like to hear more about, all in the course of a Friday afternoon, which is what the government House leader proposed.

The one thing the government House leader did not mention as he gave us the government business up until Tuesday of next week, which does not exactly carry us through until next Thursday when we get to ask this question again, is whether he intends to proceed with Bill C-115, the legislation concerning the North American free trade agreement, next Wednesday.

When he is answering that question I wonder whether he would indicate the government's intention with respect to time allocation. He will know of the concern we and others have expressed that this particular piece of legislation should in all parliamentary fairness and tradition receive more than a day and a half of debate, which is so far what the government has proposed.

Could the government House leader put these fears to rest? We are not interested in debating it forever, but we think that a day and a half is certainly not adequate. Would he put these fears to rest and would he have some confidence that once a decent debate has been held we will be willing to send it into committee? Would he withdraw the threat of time allocation and indicate to us just what he intends for the rest of next week after Tuesday?

• (1515)

Mr. Andre: Mr. Speaker, I am glad to hear the hon. member talking about traditions and fairness in the way of operating. The way we have always operated is by reaching agreement on issues for which there is no great partisan dispute, conflict of interest, election reform act, so that we can treat them in an expeditious manner. It is not a matter of not having them exposed or trying to pull anything sneaky.

It is a matter of getting them into committee so that they can be looked at. The conflict of interest act came out of a committee study. As for the Canada Elections Act, for goodness' sake, there have been months and months of study after a $20 million royal commission. How much longer is it necessary to carry this on before the hon. members will be satisfied?

I did indicate in my answer to the House leader of the Liberal Party that in terms of beyond next Tuesday I would have the usual discussions with the opposition.

I have asked the NDP repeatedly how much time it wants. There has been a flat refusal from the New Democratic Party to agree to any reasonable time limitations on any piece of legislation at any time. How do I negotiate in the face of that kind of flat refusal, which is all I have received from the New Democratic Party up until the promise made just a while ago for the first time?

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, this is right on the House business and what the government House leader said. I was very interested in that last comment. I am not going to get into the other elements that interest me.

I would like to ask something in terms of the Canada Elections Act and the $20 million spent by the Lortie commission and the recognition that there was a discrimination on tax receipts for people who were not involved in registered parties.

I would like to ask before the government House leader and/or other House leaders, who sometimes get together in these little agreements, go too far on the agreements, whether the government is prepared to recognize the discrimination that was set out in the Lortie commission. It said that there was discrimination on tax receipts, because if candidates were not members of a registered party they could not give a tax receipt. That little amendment would put independents in the same position before an election. I understand the problem of independents springing up like mushrooms across the country and looking for the—

Mr. Speaker: The hon. minister will answer the member's question. The hon. member has asked a question. I will ask the government House leader to answer the question.

Mr. Andre: The committee that was studying the Lortie commission reached the quite sensible decision to bring forward by way of early legislation those things that would require the Chief Electoral Officer to spend an extended period of time to have them in place for the next election.

This first bill that is now before the House and has had second reading and committee study, and for which I am seeking report stage and third reading, deals primarily with those aspects. The second phase, which the committee is now actively working on, deals with the question of financing, receipts, limits, and so on. They have not completed their deliberations to my knowledge.

In any event it is not the government that is pushing one or the other. It really is a House of Commons initiative, and all parties are there representing their interests and discussions are going on. There is no government position that we established and asked our members on the committee to try to push in place.

• (1520)

Mr. Blaikie: Mr. Speaker, the hon. member for Annapolis Valley—Hants is a hard man to shout down. I am better at it when I do not have the microphone than when I do. I would just like to follow up with the government House leader who indicated two things.

First, he is not able to say what the business of the House will be past next Tuesday because he is looking forward to the discussions with House leaders on Tuesday. I would ask him this with respect to that. Is he prepared to give a commitment that pending those discussions on Tuesday that he will not give notice of time allocation on the legislation having to do with the North American free trade agreement?

Second, with respect to the conflict of interest legislation, in particular, the government House leader should have acknowledged that we have made it clear to him that we would be willing to deal with this legislation speedily. We would only like two speakers but we would like to do it in the ordinary course of events.

If this is important legislation as the government says it is, we could deal with it this afternoon but that is not what the government called. There are many occasions on which we could have dealt with the conflict of interest legislation but the government has not called that particular bill.

It is not just a matter of House legislation. The legislation does not completely reflect the consensus in the committee. Therefore it is a matter of contention. Therefore it should be dealt with in the way that things are normally dealt with.

That is all we are asking. It could have been dealt with a long time ago if the government had not insisted on having a special evening sitting.

The same with electoral reform. We all know it is important. The government knows it is important and it refuses to put it on its own agenda and have the House deal with it. It could be dealt with at any time instead of trying to put through a bill that does not have to be dealt with till the fall, if ever it has to be dealt with, given what is happening in the United States with respect to NAFTA. There are things that need to be dealt with now. We could deal with them but the government insists on dealing with NAFTA.

Mr. Andre: Mr. Speaker, as I indicated in my earlier comment, the reality is because of the timetable and the fact that a lot of time was not spent in the most productive fashion earlier this year, we have a number of bills the failure of which to pass will result in the loss of tens and hundreds of millions of dollars to the taxpayers.

Is the hon. member suggesting that the penalty of having to actually sit and discuss a bill in the evening, something we used to do regularly, is so significant that in fact we should impose on the taxpayers these tens of millions of dollars of expenditures so as to not divert from this principle of actually sitting in the evening from eight o'clock to ten o'clock.

I sat quietly and listened to the hon. member when he was questioning. Perhaps he could do me the courtesy of doing the same.

The hon. member talks about the legislation dealing with the North American free trade agreement. We have been seeking for three weeks to have that legislation referred to committee so it could be looked at and compared with the agreement which has been in committee for several months.

I have been told by the New Democratic Party repeatedly, it has been asked twice in the House, under no circumstances ever will it agree. That is it. No way.

In order to get it to committee I have no other choice but to get second reading done. Debating second reading *ad nauseam* is a matter of principle. Is that going to change the principle of the New Democratic Party? Is there anybody in the country who knows what its position is or does not know what its position is?

The hon. member continues to talk from his seat. The hon. member cannot do me the courtesy I did him by listening to my response.

We have had dozens and dozens of witnesses. The bill is there. I see the hon. member for South West Nova, like the hon. member for Winnipeg Transcona, cannot keep her mouth shut while others are talking.

I do not know for sure what an appropriate level of debate is at second reading but I do know that the British Parliament had six hours of debate on the resolution to sign the Maastricht treaty, something that is profound and important. It was able to do it in six hours.

Incidentally under British rules it is not allowed to be brought up in Question Period the way it is repeatedly brought up here, day after day after day.

Mrs. Campbell (South West Nova): It is time you got out of here.

Mr. Andre: I think it is time we completed that debate, sent the thing to committee and people could examine it in its detail. Then perhaps even the hon. member from Nova Scotia will have an opportunity to go there and she will be able to talk to the record where people will keep track of what she is saying if she thinks it is so important.

• (1525)

Mr. Blaikie: Mr. Speaker, the government House leader has brought up a good point. He cited the example of Westminster with respect to the passage of Maastricht.

I wonder then whether the government House leader would be willing to consider, seeing as he is such a fan of what happened at Westminster with respect to Maastricht, putting the North American free trade agreement in the House of Commons, on this floor, in Committee of the Whole for over 21 days, which is how long they have considered Maastricht now on the floor of the House of Commons. If he wants to cite Maastricht and Westminster in the House of Commons, he should keep in mind that that is what they have done there. They have considered it in Committee of the Whole—

The Acting Speaker (Mr. Paproski): I would like to say to the hon. member that he is getting into the substance of the bill which I think is more appropriate to debate when the bill is called. I will recognize him again if he has another request.

Mr. Nowlan: Mr. Speaker, I agree. I listened to the exchange of the government House leader, who is no longer here I guess. I understand and I perhaps trespassed too far, but frankly in view of what has happened here in the last two or three days I do not really think I have trespassed enough.

All I was going to ask the government House leader, knowing full well my point over two years of correspondence, knowing it is not in the bill, knowing it is not in the committee report and knowing full well in the answer to me that there is an oxymoron that obviously parties do not have any interest in independence, is there going to be a section in the bill to take care of the discrimination that the Lortie commission found about independence?

That will help facilitate my co-operation, what little it is worth, but it can be quite a bit depending on how I get energized as to the passage of the bill which I would hope in the first phase would be passed, but you cannot pass the things for Mr. Kingsley, the electoral officer, unless you help some members who happen to be independent who cannot write a tax receipt the same way that you can. That is discrimination of the worst order.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am very sorry that the government House leader has left the House.

I would like to put this on the record. It is a question that I asked last week following the statement by the Prime Minister who is a very strong supporter of redress for Japanese Canadians. That redress settlement is not completed.

I wanted to ask the government House leader but perhaps whoever is standing in for him would forward this to him. When will the government proclaim Bill C-63 which you will recall was the act to establish a Canadian race relations foundation, part of the redress resettlement, in view of the fact that this bill received Royal Assent way back in February 1991? This House went through the whole process of debate for many months prior to that.

We need to have this bill proclaimed before this session ends.

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, the question has been received and will be taken into consideration.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade) moved that Bill C-118, an act to amend the Export Development Act be read the second time and referred to a legislative committee in the Economics envelope.

He said: Mr. Speaker, this is truly export day. We had NAFTA before lunch and now we have Bill C-118, the bill to amend the Export Development Act. That is the legislation which governs the Export Development Corporation.

If there is one thing that I hope all members of this House will agree upon, it is the importance of bolstering the capacity of the Canadian economy, to strengthen it in any way so that Canadians now and into the future have every opportunity to prosper and grow.

If there is one thing that I am particularly proud of after serving nine years as minister it is the leadership that this government has shown in preparing Canada's economy to meet the fierce competition of the new global marketplace.

Canada is a trading nation. I think we are all very well aware of that.

• (1530)

On a per capita basis, we trade twice as much as the Japanese and two and one-half times as much as the Americans. Canadian companies that compete abroad learn what it takes to compete anywhere. They and their work forces become less and less vulnerable to foreign based marketers, sweeping in and beating them on price or quality on their own Canadian shelves.

They are ready for that kind of competition because they have faced it internationally. With the better market share here and new market share abroad, these companies grow. They create good jobs. If we are going to remain a high-wage society, Canadian-based companies must be able to compete everywhere.

[*Translation*]

Ever since this government came to office, it has emphasized the importance of Canadian entrepreneurs being competitive players beyond our borders. No other government in Canada's history has done more to open up new international markets, including North America, which is the most important marketplace in the world. And no other government has done more to encourage Canadian companies to expand internationally.

[*English*]

These efforts have already had an impact. The strength of our exports which I referred to extensively this morning which have to keep growing if Canada is going to maintain its status as a leading international economy were of critical importance in sustaining this through a debilitating world recession.

It is our exports once again that are leading us out of this recession. The bill before us would modernize the Export Development Act, enabling the Export Development Corporation to become a more dynamic institution for Canadian based enterprise operating abroad. If we are encouraging more Canadian firms to operate abroad, we must do what we can to minimize the risks and difficulties that these companies encounter. This is where EDC comes in.

It has been a partner with Canadian exporters since World War II, helping them compete more effectively in foreign markets by reducing the financial risks and other difficulties involved in penetrating these markets. For those members who are not familiar with the work of EDC, let me take a few minutes to explain the nature of the corporation.

It is EDC's job performed on behalf of all Canadians to act as a catalyst in stimulating Canadian exports which in turn stimulate the Canadian economy. It encourages exports by reducing the risks involved in operating outside our borders. EDC facilitates export trade and investment through the provision of risk management services, including insurance and financing to Canadian companies as well as their customers abroad.

The corporation has supported approximately $60 billion worth of Canadian exports over the past decade. That amounts to over two million person-years of employment. It has been an essential factor in facilitating export trade. Demand for its services has tripled in the last eight years.

In 1992 alone, it provided services to nearly 2,000 clients, 80 per cent of which were small and medium-sized companies. That involved them in export transactions worth more than $8 billion. EDC has operated on commercial principles since it was established in 1969. Its customers pay for the services that it provides. The Canadian taxpayer does not.

Whatever borrowing the corporation does, it is balanced by increasing its assets. It has a long-standing record of self-sufficiency.

[*Translation*]

This is the type of self-sustaining discipline that makes EDC so valuable. Canadians want governments to do everything possible to stimulate employment, but they also realize the urgency for these same governments to reduce their deficits. Strengthening EDC represents one way this Parliament can stimulate job creation without increasing the burden on Canadians.

[*English*]

As we approach the end of the 20th century, EDC's services have developed gaps. There are three good explanations for it and they all begin with the letter *c*. EDC's customers are demanding more. The corporation's competitors in other nations have been offering more support to their exporters. The degree of international competitiveness has escalated considerably.

• (1535)

As effective a catalyst as EDC has been for Canadian exports, it has been the need for the kind of boost that we have given to many of Canada's other economic levers as part of our competitive repositioning. The time has now come to free EDC from the legislative strait-jacket that in these new market conditions has begun to restrict its capability to respond to our exporters' needs.

[*Translation*]

We need to give EDC a new flexibility. In making EDC more flexible, we will make it more responsive to the needs of Canadian exporters, the people we are counting on to meet the tough challenges of international competition.

Canadian exporters have been making more sophisticated demands of EDC in recent years, as they themselves face more sophisticated demands.

Bill C-118 is designed to meet the demands of EDC's customers, to offer them services that are at least as helpful as those their competitors from other countries have access to, and to recognize that international competitiveness is one of the keys to Canada's and individual Canadians' prosperity.

[*English*]

Simply put, we need a more complete Export Development Corporation. These amendments are designed to give us one. The proposed new EDC can be best summed up in two words: creative packaging.

In the new international marketplace where buyers have to a large extent been able to ship the onus of financing to producers and whose projects are more often commercial ventures rather than government backed projects, financial packaging in some situations has begun to rank with price and quality in determining the product's marketability. Canadian exporters are asking for a more comprehensive mix of financial services from EDC.

Many other trading nations are offering their business sectors a wide range of financial services. These countries—the United States, Japan, Germany and France—make extensive support available to their business people through a variety of mechanisms. These often include sophisticated methods of entering into partnership relationships with them, including the provision of equity participation overseas and loans and guarantees to support foreign investments.

As the international marketplace is developed, an increasing number of Canadian businesses have complained that gaps have developed in the financial support available to them—take leasing, for example—either through EDC or commercial financial institutions. EDC has the talent, the creativity and the expertise to fill in those gaps, but under the current legislation it has had to scramble to the end of its legislative boundaries to be of assistance.

The proposed amendments to the Export Development Act would streamline the EDC and extend its capabilities in a way that would provide it with much greater flexibility in meeting the demands of the globalized marketplace.

I am hopeful that this will prove particularly enticing for small and medium sized companies on the threshold of internationalizing their business activities in defined circumstances that reflect the relatively static needs of the 1969 marketplace. That marketplace no longer represents the world in which Canadian business operates. Instead of simply defining a rigid new set of tasks for EDC, we want to give the corporation flexibility to respond more creatively to the type of dramatic changes that have already been affecting its customers.

We know international deals are often complex and time consuming, but we want EDC to be capable of overcoming stumbling blocks in the most efficient ways possible and to have the tools at hand to minimize delays. We want an EDC that offers the most streamlined services possible and an EDC that acts in partnership with both customers and private financial institutions. We want an EDC that can shift with the marketplace the way Canadian entrepreneurs must also shift with the marketplace. We know that change is the norm in today's marketplace and that Canada has to be ready for it. So, for those reasons I strongly encourage members to support this legislation.

• (1540)

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, I welcome the legislation which the government has brought forward today. I welcome it for a number of reasons but I want to touch on two or three in particular.

The fact is that Canada, heavily dependent on international trade, has embarked on new trading arrangements whatever the merits or demerits of those may be. They certainly do involve a challenge to Canadian exporters with which they need the assistance of their national government.

The need for adjustment assistance in the global marketplace and the freer trading environment of the world today must be obvious to all. I am not at all clear that it is as obvious to this government as it should have been. The government has not been as active as it could have been in helping to equip Canadians through collaboration with business and organized labour to benefit from the effects of trade liberalization.

Bill C-118 about which the minister just spoke does represent a step in the direction which we on this side of the House have certainly supported and sought for some time. I would only recall once more to the minister that the Macdonald royal commission in putting forward its recommendations to seek a freer trade environment matched that recommendation with an equally strong recommendation that the government work for the benefit of Canadians in reducing interprovincial trade barriers, in improving the standards of education and training in our country and in offering financial incentives to small businesses.

There were a dozen and one recommendations that much to our regret this government ignored when it brought forward its free trade legislation. Even today with the North American free trade legislation we see the continuing absence of effective adjustment assistance to match the commitment this government has made to continental or hemispheric freer trade.

I am pleased to say that the bill the minister introduced reflects a greater awareness of the need within Canada to cope with the impact of globalization of world markets and of investment. It equally does something to recognize the fact that Canada must be an attractive base for investment by companies in the export business seeking markets abroad.

In my view the bill has the merit of emphasizing the need for Canada to seek diversification of its markets. The emphasis in this government's policy since 1988 has unfortunately been squarely on the North American continent first and more recently on the western hemisphere. However, the merit of this bill in my opinion is that it does offer Canadian business the type of assistance it needs to diversify into export markets overseas, beyond the continent and beyond the hemisphere.

The second merit that is reflected in the bill is that it offers new dimensions for a 50-year old institution, the Export Development Corporation, to engage actively with smaller business. My colleague from Broadview—Greenwood who is expert in these matters of assistance to small business and how a greater stimulus might be provided to small business investment will no doubt wish to address in greater detail that dimension of the bill. I want to say that it is something that we on this side of the House have been calling for for a considerable period of time. We had in mind the fact that small business has not had the access to export promotion and export development support and the bill before us today does go some distance to enabling the Export Development Corporation to provide such support.

• (1545)

The minister in commenting on the bill has spoken of the need to equip the Export Development Corporation to match or indeed to compete with the comparable institutions in other major trading countries. I would only want to say in passing that there is always in these instances a potential danger of competition arising among export development institutions in the industrialized world.

We have seen in the past the competition—I can think of no better word—in the case of concessional financing. One country offers more attractive concessional terms in its export lending and another country attempts to match that and the escalation sets in. I trust that we are pursuing within the OECD and other international organizations opportunities to discuss with our trading partners the need to avoid such escalation in export promotion that in certain circumstances can become subsidies and that of course is to the benefit of no one.

The only other comment I wish to offer before touching for a moment on the more specific aspects of the bill is that there has been some concern expressed about the possibility that the expansion—or perhaps more accurately the diversification—of the role and potential of the Export Development Corporation could lead to some unwarranted competition with the private sector. This I do not think should be a matter of prime concern if the Export Development Corporation is committed, as for my part I understand it is, to co-operating and working with the private sector.

I cannot think that there is not an ample challenge within Canada for a co-operative effort between the private sector and the Export Development Corporation. I would assume that when the Export Development Corporation officials or the minister appear before committee in support of this bill we will receive that assurance that the corporation will work actively and imaginatively with the private sector to provide the services that Canadian exporters need.

The bill is innovative in terms of the traditional practices of the Export Development Corporation—as I said it is a 50-year old corporation—in that for the first time we see the possibility for the corporation to take an equity position in certain circumstances to act as a catalyst to mobilize other investors. This opportunity will be something I am sure the corporation will use with discretion and work to ensure that its presence brings credibility to the project as a whole.

The second major innovation offered in the bill is the matter of insuring receivables. The Export Development Corporation has of course in the past been involved in the insurance of export receivables. Now for the first time the corporation will be able to provide some coverage for domestic receivables as well. There is obviously a balance to be struck in that activity, but it is one that we for our part will welcome from the corporation.

• (1550)

On leasing matters the inability of the corporation to offer its clients support for exports through leasing arrangements has been a hindrance in the past. The minister spoke of the corporation pressing the bounds of its legislative authority to seek ways in which it could offer such support to Canadian exporters. It is good that we are now moving to make leasing arrangements part of the mandate of the corporation.

For these and other reasons we welcome the legislation before us. The Export Development Corporation has a long and admirable record. I note that in this past year it made a profit and that is not something that most Crown corporations can claim. I look forward to the Export Development Corporation continuing to maintain its viability and its contribution to the Canadian export community partly through the new mandate we are giving it today. It is a mandate that in our view is overdue and certainly to be supported.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I am rising to speak on this bill extending further authority to the Export Development Corporation, which I think is a useful thing to do. Crown corporations cannot function when they are restricted and these amendments all add to the ability of the corporation to do its job which is to assist in the insurance of export credits to exporters who wish to go into the world market.

The proposals that are included in the bill provide additional abilities by the corporation to meet new competition and are new practices that have developed since the corporation began its operations in 1944. A lot of practices have changed and a lot of our foreign competitors do in fact have rights and privileges available to them that are no longer available to Canadian exporters simply because we have not brought our practices, laws and rules up to the levels that exist among foreign traders.

By my reading of the act, among other things, it would permit the Export Development Corporation to take an equity share in some projects that would permit it to act as a catalyst in mobilizing investors, other banks and banking institutions and make it possible for the funding of larger projects to proceed.

Sometimes the ability to take a minor equity position in a project may bring credibility to the whole project that would in fact attract other legitimate investors in the project.

As large projects and long-term projects develop, it becomes more and more necessary for the Export Development Corporation to be involved over a long term for many years and some of these changes that are proposed in the act appear to facilitate that need.

• (1555)

Another thing many of the users or would-be users of the Export Development Corporation have complained about involves the current requirement for setting up a multitude of export development contracts with different countries and different contracts for domestic sales as opposed to export sales so that a company like a textile manufacturer that exports some of its product has to keep two sets of accounts: one for its exports business and the other for its domestic business. A lumber company that might be doing business both internally and externally will find the ability to offer one contract for both internal and export business to be quite attractive.

It also has the effect of spreading the risk of the Export Development Corporation in making it less subject to bad collections in the event of a sudden collapse of a foreign country or a foreign currency market.

Many of our competitors are now in the business of making available to their exports long-term pre-shipment financing so that the pre-shipment development costs of getting the business are being financed in other countries and in other jurisdictions. The proposed amendments to this legislation would allow the Export Development Corporation to provide that kind of service as well, again a laudable acceptance on the part of the government and the corporation. In order to do long-term business they are in fact going to have to participate even at the planning and pre-export stages of the project aimed at increasing exports to other regions.

The fourth area that appears to provide some change would be the one permitting or enhancing the ability to support export sales through leasing arrangements. It would permit the EDC to act as a lessor or permit it to take direct equity participation in a lease financing arrangement so that a variety of partnerships could be established.

These proposals provide the kind of flexibility that seems to be there for our competitors and should assist somewhat in providing the infrastructure our exporters require in arranging the financing and insurance that go with completing an export sale.

The role of exporting in this country has always been an extremely important one from the earliest days of economic activity when we exported fish to Europe, to the days when we increased our exports to include timber, later wheat, and now a wide range of commodities and manufactured goods and services. The role that Export Development Corporation has to play can be a very important one. We need it to continue the trading relationship with our neighbours to the south that has existed for a couple of centuries. We need it for expanding our trading operations in the rest of the world.

As a representative of a region that exports virtually all its production and can rely very little on the domestic market to consume the grains, oilseeds and meats we produce, I want to say a few things about the fixation the government has had for most of its mandate, both the previous one and the current one, with trade with the United States as a means of increasing economic activity. When we look at it from the experience of having been four years into that relationship we see that perhaps it was not the great thing the government likes to tell us it was.

• (1600)

I am using as my source Statistics Canada and I am looking at the trade balances that existed for four years prior to the implementation of the Canada-U.S. trade deal. I am comparing that with the average of the four years that have occurred after the signing of the Canada-U.S. trade arrangement. I see that 1988 was the last year we had a positive trade balance between our two countries. If we take the four-year average before the deal we had a positive net balance in goods of plus $17.3 billion. We had a negative trade balance in services of minus $12.4 billion, leaving us a total on average of $4.8 billion before the free trade agreement.

* * *

THE ROYAL ASSENT

Madam Deputy Speaker: Order. I have the honour to inform the House that a communication has been received as follows:

Mr. Speaker,

I have the honour to inform you that the Honourable Peter de C. Cory, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 25th day of March, 1993, at 4:00 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Judith A. LaRocque
Secretary to the Governor General

• (1605)

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Madam Speaker, the Deputy to his Excellency the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

• (1610)

[*Translation*]

And being returned:

Madam Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy to His Excellency the Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-111, an act prohibiting the sale of tobacco products to persons under the age of eighteen—Chapter 5.

Bill C-99, an act to amend the Small Businesses Loans Act and another Act in consequence thereof—Chapter 6.

Bill C-69, an act to amend the Criminal Code (air and maritime safety)—Chapter 7.

Bill C-79, an act to amend the Divorce Act and the Family Orders and Agreements Enforcement Assistance Act—Chapter 8.

* * *

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-118, an act to amend the Export Development Act, be read the second time and referred to a legislative committee in the Economics envelope.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, before we had the call from the Governor General and the trip to the Senate, I was pointing out that the increase in trade to the United States, which has been the basis of government policy over the last two terms, has not proved to be as propitious for Canada as originally thought or at least as you would glean from the government's presentation of the statistics.

When you look at Statistics Canada and use four years before the trade deal and the four years after the trade deal and take average trade balances, you find that 1988 was in fact the last positive trade balance that this country had with the United States and since January 1989 when the trade deal came into effect, we have had nothing but negative balances.

On average, the four years before the trade deal we had a positive trade balance of $4.8 billion, with goods providing a positive net balance of $17.3 billion, services a negative balance of $12.4 billion, leaving a positive position of $4.8 billion. On post-trade deal, goods on average for the four years provided a positive trade balance of only $15 billion, down $2.1 billion from the average before the deal started. On services our negative balance went up from $12.4 billion to $18.2 billion, leaving a negative trade balance with the Americans in all goods and services of $3.15 billion.

• (1615)

The trade position with the Americans has deteriorated considerably since the implementation of that agreement. Part of the reason that that has happened is fairly obvious. There were 222,000 fewer employed Canadians between January 1989 and August 1992 according to the labour force survey of last August. An additional 600,000 Canadians have joined the official unemployment rolls since January 1989, pushing the unemployment rate from 7.6 per cent in January 1989 to 11.6 per cent or 1.6 million people unemployed.

It appears that there are an additional 344,000 discouraged unemployed individuals who have simply dropped out of the work force since January 1989 as well.

The proportion of the work force working part time since 1989 has jumped from 15 per cent of the population to 17 per cent and 386,000 more Canadians in August 1992 compared to August 1989 are now working part time because they cannot find full-time work. It has been noted many times by many economic observers that since the trade deal was signed part-time work seems to be the only new jobs that are available to Canadians.

This has had a tremendous effect on our efficiency and our productivity levels. According to the OECD statistics the Canadian economy is currently operating 9.2 per cent below its productive potential. To arrive at productive potential they measure such factors as existing capital stock, labour efficiency and a Conservative measure called the natural rate of unemployment.

By comparison the U.S. is operating at 3.6 per cent below productivity potential and Japan is only .4 of 1 per cent below its potential. We are further below our productive potential than the economy of any other major industrialized country since 1960.

The policies of the government which put us into a trade deal with the Americans have in fact been to blame. When we look at the various sectors and the negative effect on those sectors we see that in the furniture sector 22,700 jobs have been lost, 33 per cent of all the furniture jobs that existed in 1989 have now disappeared; 12,395 textile jobs have disappeared or 22 per cent of that entire sector; 41,600 clothing jobs have vanished, 35 per cent of all the jobs that existed in the sector before the deal started. This is a dramatic shift in the amount of jobs that are available in Canada.

In auto parts, 19,950 jobs have gone, 22 per cent of the sector has disappeared since January 1989. In printing and publishing, 23,373 jobs disappeared, 15 per cent of that work force no longer exists.

In spite of the facts that are there, produced by Statistics Canada and available to all of us if we look, the government persists in telling us that is a good deal, that it is good for Canada and good for Canadians. You cannot convince anybody who is looking for a job that it is a good deal. You cannot convince anybody whose plant has closed down and set up again in the United States that it is a good deal. You cannot convince anyone who finds that the products that they used to be able to produce are no longer being produced in their local town in their corner of the country. Yet the government tells us it is good for us.

• (1620)

The purpose of this bill is to make some of the services that are available to exporters more flexible and to provide them with the kinds of services that will allow exporters who exist all across this country to go into other parts of the world other than the United States. For that reason I think it shows a softening of a number of the government's positions, which I applaud.

It seems to me that strengthening this Crown corporation, which is a policy that runs counter to the government's initial instincts which were to throw out all Crown corporations, at the end of the government's mandate is still a good move because this particular corporation functions mostly in markets beyond the United States. I think it is a belated recognition that Canada has to look to the rest of the world, that our saviour is not in a better trade deal with the United States or Mexico but that there is a whole world out there.

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Okanagan—Shuswap, 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—Immigration; the hon. member for Comox—Alberni—Indian affairs; the hon. member for Don Valley East—Cyprus; the hon. member for St. Boniface—Employment.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, for some time now we have listened to the Minister for International Trade comment on the impressive increase in the export trade figures that Canada demonstrated in 1991-92. We have listened to his argument that it is a direct result of the imposition of the free trade agreement between Canada and the U.S.

When you look at the total in goods and services, it indicates a substantial difference from the rhetoric that we hear from the Minister for International Trade as to the facts and figures that are before us, facts and figures that have been compiled by Statistics Canada.

When we look at the total trade balance in both goods and services between Canada and the United States prior to the free trade agreement coming in, the four year average from 1985 to 1988, we had a total trade surplus of some $4.8 billion. When you look at the four year average subsequent to the FTA we see that we have turned that trade surplus of $4.8 billion into a net trade deficit of $3.1 billion.

I say to my hon. colleague that is a turn around, a loss if you like, of 165 per cent on our trade balance between Canada and the United States.

I would like to ask my friend how he can explain the comments that have been made by the government, and particularly by our minister of trade who says that we have been doing so well under the FTA, when in fact we have a dismal and accelerating trade deficit when you look at the figures both in goods and services.

Mr. Althouse: Mr. Speaker, I guess the explanation is that in magic, in public relations or in politics you always concentrate on the bean or the shell that is most important to the argument.

If you look only at the positive trade balance in goods, 1988 versus 1992, you could make an argument, as the government does, that trade increased by just over $3 billion.

• (1625)

That does not tell the story on services where trade has produced a negative balance of an additional $5 billion or $6 billion. This means that over all—it is over all that counts to the total economy of Canada—we have moved from a positive trade balance in 1988 to a fairly heavy negative balance. There was a loss in fact of $2.6 billion.

We have imported $2.6 billion more services and goods combined than we have exported. We are actually shelling out more money after the deal than we were before the deal. Before the deal Canada benefited from the trade with the United States. After the deal they are making more money out of that trade because they are selling us far more services. We have not been able to keep up the same rate of growth in our goods-producing sectors.

The reasons we have lost on the goods-producing sectors are quite clear as I spelled out in my speech. We lost furniture jobs, auto parts jobs and textile manufacturing jobs. When we have lost these jobs we no longer have the ability to produce for export.

Part of the reason why we lost these jobs is because of the terms of trade changing and it was no longer most economical to produce and sell furniture from a Canadian base. We were importing more of it and this has resulted in job loss and a worsening of the trade balance between us and the United States.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, with your indulgence I would like to split my time with the hon. member for Laval West. I will confine my remarks to 10 minutes and watch the clock very closely. It is only for that reason that I will resist the temptation to respond to the remarks of the previous speaker. I find them absolutely fantastical, if that is a word. I do not know where those trade figures came from but they did not come from a very reliable source. They are an extraordinary set of statistics I must say.

Mr. Althouse: Mr. Speaker, I rise on a point of order. The not very reliable source that the member is speaking of is Statistics Canada catalogue 67-001, table 3. He can look it up. It is a very reliable source.

Mr. McCreath: Mr. Speaker, I will look forward to the NAFTA debate. Since my hon. friend did not actually speak to the bill that is before the House I will be pleased to engage in a discussion further when we speak on NAFTA. That is of course if his colleagues will allow the House to actually debate the NAFTA and not just play games with parliamentary procedure.

On the other hand I am pleased to have an opportunity to speak briefly on Bill C-118. This is legislation to amend the Export Development Act and to make the Export Development Corporation the kind of catalyst Canadian exporters need to compete in the global marketplace.

Mr. MacWilliam: Mr. Speaker, I rise on a point of order. With all due respect, Mr. Speaker, the member has impugned the motives of me and my colleagues in the New Democratic Party in terms of the impending debate on NAFTA.

I just wanted to point out that should he and his colleagues on the government side decide to provide ample opportunity for debate on NAFTA then we will do everything in our power to ensure that debate is—

The Acting Speaker (Mr. Paproski): Debate right now.

Mr. McCreath: Mr. Speaker, my hon. friend and people of Canada had an opportunity to draw their own conclusions and I am sure they will.

Speaking again of this very excellent piece of legislation, Bill C-118, I want to point out that this legislation will not only enhance the prospects for Canadian importers but it will indeed be highly beneficial to all Canadians.

When he spoke to introduce the bill the Minister for International Trade made reference to what he referred to as the three Cs: customers, competitors and competitiveness.

The Export Development Corporation's customers are demanding a more complete set of risk-management services. Many of our exporters' competitors are already receiving risk-management services that EDC has difficulty offering under the wording of the current act.

Finally, the degree and nature of international competitiveness has in fact changed. There is I suppose a fourth C. We will remember that the minister emphasized on several occasions how important exports are to both the number and quality of jobs we will be creating in Canada during the next decade.

• (1630)

The fourth C quite simply stands for Canadians. This government more than any government in Canada's history has seen how important success in the international marketplace is to maintaining the standard of living that Canadians have known, the quality of jobs that Canadians have had access to and the lifestyle that Canadians have worked so hard to build up over a century and a quarter as a country.

Canadians cannot continue to prosper the way we have prospered as a nation if we do not rise to new international challenges. This bill is part of a concerted initiative spearheaded by this government to assure that Canadians can meet those new challenges.

The government could have taken the politically easy route of pretending that Canadians would not be hurt if we tried to ignore what is going on in the world today and tried to create a kind of fantasy environment with great, huge walls around us. Frankly, we would not do that. It would not be right to try to fool Canadians into thinking that everything would be just fine if we tried to hide our little heads in little holes in the ground and pretended that nothing was happening in the world.

This government has not chosen to meet the challenge of the international marketplace because we enjoy the adventure of selling beyond our borders. We have done it quite simply because we knew that the Canadian economy would wither if we tried to hide and tried to produce only for our own marketplace. A quarter of the jobs in this country today in the productive sector are indeed directly related to export.

We chose to meet the challenge not just for our entrepreneurs' pocketbooks that depended on international success but for the well-being of our whole society, our whole culture and indeed the people of Canada. It was access to good jobs but it represented even more than good jobs. It involved the futures of our symphony orchestras, health plans, school systems and our capacity to serve our disabled people and our disadvantaged. It was all of those social and cultural components that make Canada a very special place to live.

Those particularly Canadian advantages have already come under pressure because of our struggle to deal with the deficit this government inherited from its predecessors who had a quaint definition of economic boldness called "mortgage the future".

We as a government understood that these components of our rich and generous society would come under permanent pressure if we turned away from the challenge of the global marketplace. Our economy will simply not give us the social and cultural nourishment we have drawn from it in the past if we do not make adjustments to meet the imperatives of competing internationally in the future. We as a government have understood that.

From the beginning of our mandate we have pinpointed the new challenges abroad. We recognized the growing Pacific Rim capacity to export high quality goods at low costs. We knew there would be increased resource competition from the Third World even as some of Canada's resources were becoming more difficult to access.

We also saw the European countries and the Asians reducing trade barriers. Common markets were on their way at least as short or medium term bridges to open trade everywhere. It was a time to either get involved or get shunted aside.

We are involved and this legislation to strengthen the Export Development Corporation is an important step in the government's economic agenda to encourage more trade beyond the North American marketplace.

Our exports are climbing. All members will have rejoiced at last month's trade surplus but there is still plenty of room to grow. Canadian firms are looking beyond the U.S. marketplace to Mexico. This is another lucrative marketplace that will open up under the NAFTA.

We have to look beyond Mexico as well. The global marketplace has undergone a huge transformation since the Export Development Act was first brought in. Minor amendments to that legislation in the 1970s and 1980s updated the act but nobody could have foreseen the scope of change that would take place in the coming years.

The revamping of the Export Development Corporation, Canada's official export credit agency, is an important part of the national initiative to make Canada a more powerful player in the international marketplace. At the core of that initiative of course is the private sector but this Parliament must play a supportive role if this mission is to be sustained. That is why I encourage all members to support Bill C-118.

In concluding I move:

That the question be now put.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I wonder if the hon. member would care to give us the proportion of business that the Export Development Corporation has been doing in Europe, Asia, the United States and so on, so that we can see where its efforts have been directed.

• (1635)

Mr. McCreath: Mr. Speaker, I appreciate my hon. friend raising the question. I do not have exact figures in my head but I would be more than pleased to get them and share them with my hon. friend.

I think what is important to observe and to take cognizance of is the outward looking approach that this government has taken of which I spoke in my general remarks. We hear a great deal these days about the free trade agreement and about NAFTA but in actual fact this country has a number of trade initiatives looking in a variety of directions: the Asia-Pacific initiative that has been taken; the strengthening of relationships and the continuing negotiations with Europeans; and the Caribbean area and NAFTA present tremendous opportunities for growth. As I am sure my hon. friend is aware, there is so much enthusiasm throughout the world for the concept of NAFTA that we have a great number of countries interested in joining it. I know all members are aware that we have had approaches from various Latin American countries, like Chile for instance, that are interested in joining the NAFTA.

In fact I can tell my hon. friend that in January I had the occasion to attend and speak at a business conference in India. The president of the Confederation of Indian Industry, the organization in India that is like the Canadian Manufacturers' Association, indicated that India would be very interested in looking into the possibility of joining NAFTA. Who knows what is going to go on?

I now have had said to me—

The Acting Speaker (Mr. Paproski): I regret that the hon. member's time has expired.

Mr. McCreath seconded by Mr. Brightwell moves that this question be now put. Is it the pleasure of the House to adopt the motion?

Some hon. members: No.

[*Translation*]

Mr. Guy Ricard (Laval–Ouest): Mr. Speaker, I would like to take this opportunity to discuss some of the services which the Export Development Corporation would be able to offer under this legislation. Senior officials of the EDC feel these are some of the areas where they could substantially improve customer service.

The EDC could improve its pre–shipment financing capability. The complex and costly procedures imposed by the current legislation at the structural and contract level should be eliminated. I think there is no doubt about that.

With a streamlined program, Canadian businesses and their banks would have direct access to loans and guarantees to pay the initial, non–recurrent costs involved either directly or indirectly in a long–term export project.

Canadian exporters must be able to obtain credit insurance for both domestic and export sales if they are to build the solid base they need to compete internationally.

In Canada, the potential market for domestic credit insurance is worth about $100 billion, but only 5 per cent of that market has been developed so far.

There is room for involvement by the EDC, which would complement the activities of domestic insurance underwriters in this area. An increase in the proportion of insured export credits is a bonus for insurance underwriters and their banks, because it makes these companies a better risk when loans are involved.

The corporation should and could provide capital for certain projects or finance equity capital. The corporation is now restricted to debt financing in the case of Canadian exports provided directly under a project. The private sector's exposure to major international projects is far greater. There is more pressure on exporters to provide their own export financing and invest in projects where they also provide for maintenance of their equipment.

• (1640)

The EDC's ability to acquire an interest in certain projects or to help finance equity interests of Canadian businesses may help attract financing from other investment lenders for whom the corporation's involvement would be reassuring. This might also encourage some parties to seek out Canadian suppliers.

The EDC would be able to invest in international leasing companies. In fact, at the international level, leasing is growing at a faster rate than sales. The ability to offer competitive leasing agreements is particularly important in the case of high–tech businesses that manufacture specialized products such as aircraft and aerospace equipment.

Another example is the streamlining of the Canada account assessment process. I may add in this connection that the moneys deposited in the Canada account do not belong to the EDC but are administered by the corporation.

If Bill C–118 is adopted, this would eliminate part of the administrative red tape involved in using this account, without compromising the vitality of the decision–making process. The bill would eliminate the pre–condition for the EDC board of directors to formally reject the use of its own funds and also eliminate the need to obtain the approval of the governor in council.

The Minister for International Trade and the Minister of Finance would be jointly responsible for authorizing the use of these funds. This would speed up the process, an important consideration when we realize that speed is often essential when concluding contracts with countries overseas.

As the Minister for International Trade pointed out, streamlining the EDC is one of the most important elements of the government's comprehensive policy aimed at making Canada more competitive on the international markets.

The Export Development Corporation cannot spearhead Canadian involvement in global markets. That is up to the private sector. However, once these amendments have been adopted, the EDC will be able to play a far more effective role as a catalyst in helping Canadian businesses enter the modern global market.

As I said earlier, I am proud to be associated with Bill C-118, and I am confident that all members of this House will recognize the importance of international trade for the economic, social and cultural future of our country and will join me in supporting this bill.

Mr. Speaker, before I finish, I would like to present a motion, seconded by the hon. member for Perth—Wellington—Waterloo.

[*English*]

Pursuant to Standing Order 26(1) I move:

That the House continue to sit beyond the normal hour of adjournment for the purpose of continuing consideration of Bill C-118, an act to amend the Export Development Act.

And fewer than 15 members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 26(2) the motion is adopted.

Motion agreed to.

• (1645)

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to rise on behalf of my party today. As our critic for international trade said earlier, we on this side of the House are in support of the bill.

The Export Development Corporation is one of the few Crown corporations the Conservative government has managed to leave intact. It is one of the few organizations that has survived the cut, cut, cut. In fact the bill today modernizes and expands the capacity of the Export Development Corporation. We on this side of the House support this.

As the Minister for International Trade and my colleague for Etobicoke North said, the country depends on its export activity. This is the greatest hope for job creation in the country. Anything we can do to expand the capacity of the Export Development Corporation is something we support and applaud.

It is another example of how we in opposition will get behind the government to support a bill going through the House expeditiously if we feel it is meeting the objective of job creation. Today the number one priority is putting people back to work, and the bill certainly passes the test of meeting and assisting that objective.

A previous example of our co-operating so well was the Small Businesses Loans Act. Just before I came into the House today I was speaking to Blair McRobie, vice-president of government relations for the Royal Bank of Canada. He was telling me that as of today all the branch managers of the Royal Bank and all its loan officers are fully apprised of the Small Businesses Loans Act. I am absolutely convinced, now we have the loan officers aware of the Small Businesses Loans Act and once we have let all small businesses know, we are going to be putting more people back to work because small business represents the greatest hope for new job creation.

That brings me to a concern I want to put on the floor of the House about the particular Export Development Corporation. The minister said in his remarks today that the Export Development Corporation had approximately 2,000 clients of which approximately 50 per cent are small businesses. That represents about 1,000 businesses doing work with the Export Development Corporation.

If there is one flaw or one concern I have about the Export Development Corporation, it is that most small businesses are not even aware it exists. They are not even aware that the Export Development Corporation exists, let alone all the services, all the products, and all the various export enhancements it provides. I would like to suggest to the government—and we will be raising it in committee—that we must make sure we let the small business community know about the Export Development Corporation. We must make small businesses aware that this particular Crown corporation exists. If we take the same approach with the Export Development Corporation as we did with the Small Businesses Loans Act, I am confident that once again we will have another factor in the economic recovery equation to inspire or to give new hope, new opportunity, for the entrepreneurial spirit that exists out there.

• (1650)

This is one of the great tragedies of the work done in the House, in committee, and by many of our great public servants. A lot of people in the country do not know these operations exist. They are just not aware. Obviously this is not the kind of story the press will cover because it is good news and is not controversial enough.

When there is an organization like the Export Development Corporation providing assistance, not just to larger corporations but to small and medium sized operators, we have to get the message out. We must.

I support the bill in every respect. In fact I remember the very first time I had some involvement with the government back in 1985 at the Business Opportunities in Canada conference in Toronto. The president of Investment Canada at that time was a Mr. Paul Labbé. I believe he is the current president of the Export Development Corporation. I remember when we did that work in 1985 and 1986 that this man had real feeling and real passion for small Canadian exporters.

All too often in this House we are quick to pick out someone in the Public Service or a particular branch of government that is not really living up to the Public Service objective it is supposed to. However this is a good example of an organization and its leader, Paul Labbé, and all its counsellors. I have had people in my community and in other parts of Toronto who have had experience with the Export Development Corporation, and they have only good things to say about the officers who represent its various aspects.

On behalf of my party I am happy to stand in support of the particular piece of legislation. I have one concern or one qualifier to put on the table. I hope the government will treat the marketing, the awareness program or the promotional program of the Export Development Corporation the same way it is now treating the Small Businesses Loans Act.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I am pleased to say a few words on this particular bill.

Perhaps I want to make my comments a little more general in terms of the whole question of export trade as it pertains to Canada. Obviously as we all know nations engage in trade to try to benefit their economies. It would seem logical that agreements between two nations or agreements between a number of nations to expand trading opportunities between those partners would be beneficial to the economies of the nations involved.

That is only the case if the trading relationship between participating countries is fair and equitable. We have seen that is not the case in the current free trade agreement between Canada and its partner to the south, the United States.

The Canada-U.S. Free Trade Agreement has not really been about freer trade and increasing exports as the argument has been placed. After all, that is what this bill is talking about. It is talking about expanding export opportunities.

• (1655)

This trade agreement, to which Canada is struggling to adjust, has really been about greater access to Canadian resources for the U.S. market. It has really been about removing the kinds of barriers that have existed to the free movement of capital, goods and services to establish a free trade playing field for the multinational corporations, which are largely based in the United States.

This agreement, which has been in place since January 1, 1989, is really about reducing the ability of our provincial and federal governments to establish the kinds of economic priorities that are very much a part of the political priority of any democratic government. It is about the reduced ability of this country to control its own destiny, to control its own economy.

As we are talking about trade in this bill, I want to say that if Canada had really wanted a free trade agreement, if Canada had really wanted to embrace the concept of freer trade, then it would have needed a very short piece of legislation, a very succinct agreement between Canada and the U.S. It would basically be only one line: The parties involved, the nations involved, in this case Canada and its partner, the United States, would agree to eliminate all remaining tariffs that are currently in place on both goods and services. Said and done. It is very simple. That would have been free trade.

This agreement has gone far beyond the concept of simply reducing tariff barriers and has moved into whole areas of our economy, particularly in the area of financial services as well as in the area of increased access to Canadian resources. I want to get back to that later if I have time.

Rather than signing an agreement, a very simple, almost one-line agreement, to reduce or eliminate tariff barriers between the countries in question we have entered into this massive and convoluted agreement between Canada and the United States that has jeopardized the very future of this nation.

I want to look at facts and figures. These are figures that have been released by Statistics Canada since the free trade agreement was imposed back in January 1989. The last positive trade balance that Canada experienced was in 1988, the year before free trade came into effect in Canada. The average trade surplus for Canadian goods and services for Canada for 1985-88, a four-year period, was about $4.8 billion. That was a trade surplus. We had a very vibrant export market, both in manufactured goods and in services into the U.S. economy, so much so that we had an average surplus over that period of some $4.8 billion.

In 1989 the free trade agreement came into place. What have we seen subsequent to the FTA coming into place? That trade surplus that Canada had enjoyed for years before the free trade agreement was implemented immediately took a nosedive and went below the boards to a trade deficit.

If we look at the four years subsequent to the FTA coming into place we find that the government's great plan for economic and trade stimulation for Canada has turned into an unmitigated disaster. We had a trade deficit between 1989, the year that FTA came into place, and 1992, when the latest figures were available. That trade deficit averaged some $3.2 billion.

We took a trade surplus of $4.8 billion and turned the damn thing into a deficit of $3.2 billion. That is not very successful. That is a 165 per cent turn around, an 165 per cent decrease in Canada's trade balance with the United States subsequent to the FTA coming into place.

This great trade agreement, which is supposed to be the hallmark of this present administration, has in fact accelerated Canada's dependence on one market, the United States, for our exports. It has accelerated the economic decline of this country. It has accelerated job losses in this country and it has accelerated the downward spiral in working conditions, wages and the entire social fabric of our economy. That is what the free trade agreement has done for Canada in the four short years since it was imposed in January 1989.

• (1700)

In 1988, 73 per cent of Canada's exports went to the U.S. That is quite a substantial portion. We really have too many economic eggs in one basket. Subsequent to the free trade agreement being implemented we have increased that concentration to 78 per cent.

Through the free trade agreement Canada has been dumping all of its economic eggs into one basket, and it is the wrong economic basket to be dumping them into.

Let me cite some other figures that are quite pertinent. This again is—

The Acting Speaker (Mr. Paproski): Just one minute. Is it agreed for me not to see the clock so the hon. member can finish his speech? The hon. parliamentary secretary.

Mrs. Sparrow: Mr. Speaker, I wonder if you, at this particular point in time, could tell me how many more minutes this hon. member has. Private Members' Business is coming up, and as usual people have their speeches organized and have planned for it. I do not want any inconvenience to affect Private Members' Business.

How much longer does our colleague have, Sir?

The Acting Speaker (Mr. Paproski): I believe that after the hon. member for Okanagan—Shuswap finishes his debate there will be no more speakers in the House. As far as his time is concerned I do not—

Mrs. Sparrow: Will we be guaranteed that then?

The Acting Speaker (Mr. Paproski): Just hold on for a second. The hon. member for Rosemont on a point of order.

[*Translation*]

Mr. Tremblay (Rosemont): Mr. Speaker, I am willing to give my consent, but I want to be sure to be able to speak on Bill C-348 later. Can I get consent from the House in this?

[*English*]

The Acting Speaker (Mr. Paproski): This is on Private Members' Business, and I see no problem with that. Now it is up to the hon. member. If I designate another five minutes will that be sufficient?

Mr. MacWilliam: Mr. Speaker, I had planned on only taking my normal time allocation of 10 minutes. I am not quite sure how long I have spoken, but perhaps four or five minutes more would be quite sufficient.

The Acting Speaker (Mr. Paproski): The hon. member for Rosemont wants to speak on the private member's bill.

Mr. Tremblay (Rosemont): Yes.

The Acting Speaker (Mr. Paproski): All right. We will not see the clock and will let the hon. member for Okanagan—Shuswap carry on.

Mr. MacWilliam: Thank you, Mr. Speaker. I do appreciate the indulgence of the House. I will attempt to be as pertinent as I can.

Just before the debate was interrupted I was about to cite some Statistics Canada data demonstrating the impact of the current Canada-U.S. Free Trade Agreement and what it has done to jobs in Canada. These Statistics Canada figures show that the total number of manufacturing jobs in Canada fell by over 400,000 from the end of 1988 to 1992. That is in the manufacturing industry alone. One in five manufacturing jobs in Canada have been lost subsequent to the FTA coming in.

Many of those jobs are gone for good. They are not coming back. The reason they are not coming back is because plants have been closed, they have shut down, they have been moth-balled or in some cases, as was the case in Annacis Island in British Columbia, the plant was literally picked up, packed away and moved south of the border. That situation is a grievous situation and is one that Canada will continue to struggle with as that structural change takes effect.

We warned before the free trade agreement came in that if it was brought in we would see these kinds of plant closures taking place throughout Canada. That is exactly what has taken place.

For example, plant closures have accounted for nearly half of all the manufacturing jobs lost in Ontario between 1989 and 1990. Those closures have been particularly severe in the areas of textiles, clothing, food and furniture manufacturing. I would like to turn to a quote that talks about the impact of this job loss and it is from a critique entitled "The Global Trade Challenge" by Mr. Bruce Campbell. He says: "Look what has happened to the jobs in these sectors in the last three years". He is talking about the period subsequent to the FTA.

• (1705)

He continues: "Furniture has lost 22,700 jobs, 33 per cent of all furniture jobs; 12,395 textile jobs have disappeared, 22 per cent of the entire sector; 42,000 clothing jobs have vanished, 35 per cent of all clothing jobs; plastics has lost 22,000, again a collapse of 35 per cent of all jobs in the sector. In auto parts 20,000 jobs have gone, 22 per cent of the sector. The machinery sector has lost 30,200 jobs, 31 per cent of the sector. Printing and publishing saw a loss of 23,400 jobs, 15 per cent of the sector. Over all, manufacturing has lost more than 20 per cent or 416,700 jobs".

That is a pretty sad state of affairs, and it puts the lie to the government's claim that free trade would be a true economic panacea for this country. We can see what it has done to our country, we can see what it has done to our economy. It has devastated the Canadian economy.

I want to say that the proposal of going into the next phase, which is the North American free trade agreement, only makes that bad situation even worse. If we go into this trilateral agreement the United States will have received all the pieces of the puzzle together: access to cheap Canadian resources and access to cheap Canadian labour.

Canada and Mexico will become the warehouse and the sweat-house for the U.S. based multinationals while they persevere with this idea of a level international playing field so they can move capital and assets around wherever they wish.

I know my time is limited. There is much more I could say on this issue. I hope I will have time later on to discuss a very specific concern that I have, which is the vulnerability of Canadian resources. In particular, I am concerned about the vulnerability of Canadian water supplies under both the free trade agreement now in place and the North American free trade agreement which this government proposes to ram through this House in the next few days with virtually no debate.

It is a sad state of affairs when this government wants to essentially rewrite the economic constitution of this country in the drafting of the North American free trade agreement and not involve Canadian people, not even involve the Parliament of Canada, in thoroughly debating this issue.

We saw exhaustive debate when the government attempted to rewrite our social constitution through the referendum campaign in the fall of 1992. People were absolutely exhausted with the amount of information this government tried to ram down their throats. However, when it tries to rewrite our economic constitution with the North American free trade agreement there is absolute silence. The committee does not even want to travel to some provinces, does not want to travel to our large centres, to Montreal or Toronto, because it is afraid of what the people will say.

I hope to have more opportunity to discuss this, and I hope that I will be one of the few speakers who has the opportunity to debate this proposal to ram through the North American agreement.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The first question is on the motion of Mr. Ricard that the question be now put. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to.

The Acting Speaker (Mr. Paproski): The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the second time and referred to a legislative committee in the Economics envelope.

The Acting Speaker (Mr. Paproski): It being five o'clock p.m., pursuant to Standing Order 30(6) the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

• (1710)

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Ms. Barbara Greene (Don Valley North) moved that Bill C-348, an act to amend the Criminal Code (gun control), be read the second time and referred to a legislative committee in the Departmental envelope.

She said: Mr. Speaker, first of all, the purpose of this bill is to establish a system that would enable the authorities to know the number and kinds of unrestricted firearms being acquired by Canadians after the coming into force of this bill, and to trace those firearms when they are subsequently disposed of, lost or stolen.

Presently only restricted weapons, hand guns and military-type weapons must be registered. Registration of unrestricted firearms is not required. No one knows how many guns there are in Canada or who has them. A person who has been issued a firearms acquisition certificate may buy as many guns as he or she wants. The FAC provides no record of purchase or any control over the number of weapons a particular individual owns. There is no ownership renewal process or follow-up conducted by police.

This particular bill is designed to be a fairly inexpensive way of beginning a system of gun registration. As you will note, it talks about after the coming into force. This would allow a point of sale type of registration system which is one that was recommended by the Canadians for Gun Control. One of the principals of that organization, Wendy Cukier, is an expert in the area of data and information systems and has recommended this particular kind of system.

The information is currently available from people who sell firearms and that data could be reported to a central source, also with the requirement that all sales, losses or theft be reported to that same source.

By collecting this data from gun sellers on a regular basis, such a system would minimize the administrative burden and the inconvenience to firearms owners. It could be submitted to local, provincial or federal authorities and the cost would be associated with organizing and storing the data.

Data base technology would allow records to be accessed by owner name even if they were entered by seller, and with scanning equipment can be done very efficiently and inexpensively. This would allow the registration of all guns when they were purchased from a dealer or if they were sold by an individual to another person. It would be a relatively efficient way to begin firearms registration.

The registration of firearms is supported by quite a number of groups which include the Canadian Association of Chiefs of Police, the Canadian Federation of Municipalities, the Canadian Police Association and the Canadian Association of Emergency Physicians. It would allow police to track the source—

I wonder, Mr. Speaker, if the minister could be asked to leave the House as he is talking extremely loudly.

The Acting Speaker (Mr. Paproski): The hon. minister, please, the hon. member cannot speak over the sound of your voice.

Ms. Greene: Thank you. The registration of firearms would allow police to track the source of lost or stolen firearms, as well as those used in the commission of a crime. This would mean that illegal traffic would be more difficult and it would encourage legitimate owners to respect safe storage guidelines.

It would allow the more effective enforcement of prohibition orders. It would allow police to be forewarned of the possible presence of a gun while investigating potentially violent situations such as domestic disputes. It would allow the confiscation of firearms during potentially dangerous domestic disputes.

A single national registry for all firearms would give us very useful data concerning the actual numbers and uses of firearms in this country and about the people who possess them. At the present time estimates are derived through various surveys but we really do not know how many guns are out there.

Recent studies demonstrate a decline in the use of firearms in violent crime in general, including homicides, but those same studies show that almost half the firearm assaults and homicide victims faced assailants armed with rifles or shotguns. The high proportion of long guns, ordinarily unregistered, used in those crimes suggests the need to further restrict their use and availability. If the decline in the use of firearms in violent crimes is even partially attributable to the 1977 legislation, it seems logical to expect that additional restrictions could further their illegitimate use.

• (1715)

If one expects that registration of hand-guns as restricted weapons has kept their numbers low, similar requirements for all weapons should restrict their numbers as well. The rationale that lowering levels of gun ownership reduces their availability and therefore use in violent crimes has found favour in hand-gun control. I believe the same argument would apply to other kinds of firearms.

An Angus Reid survey revealed that firearms in 50 per cent of households surveyed had not been used in the previous year. If gun ownership were made more inconvenient through registration requirements, a great many people might not bother to keep them at home.

Considering the large numbers of weapons in private households in Canada, the fact that firearm homicides occur should come as no surprise. Since less than one-quarter of 1988 homicides suspects were strangers to their victims, and about one-third of the victims and suspects were domestically related, fewer firearms in Canadian households could reduce their availability for use in those types of crimes.

Simply requiring registration of all firearms could reduce the numbers available. Requiring some indication or proof of intended use, like hunting, could reduce these numbers even further.

A requirement for registration of all firearms would send a message to owners about the seriousness of the responsibility they undertake and could have positive psychological effects on their manner of use.

The public is with this kind of bill. In 1975 and in the recent Gallup poll as well, the numbers reported indicated that 80 per cent of Canadians are in favour of the registration of all firearms. I am sure that that issue is one that clearly is the same today.

Registration of firearms would allow far more effective measures to be taken by the police. If we look at some of the particular situations we have had, for example in the de Villiers murder in Ontario, there was no way of verifying whether or not someone was in legal possession of a rifle or a shotgun. They were not able to track that one down although the courts were aware that this particular individual was violent.

Right now there is no way of enforcing prohibition orders short of ransacking someone's home because police have no way of knowing whether there is a gun there. There is absolutely no control on stockpiling. We have heard of stories of that happening in Alberta. There is no way of tracking lost and stolen guns. There are 3,500 reported lost or stolen guns in a year. That is probably an underestimate because there is no legal requirement for reporting lost or stolen guns.

We should consider the difficulty of registering guns. We register dogs in cities and there are probably far more dogs for example in metropolitan Toronto than there are guns. I know the estimate I saw for guns for Toronto was about 55,000 which was higher per capita than Alberta. Yet I know we have 20,000 dogs in Toronto and at least that number in North York. In the whole of the Toronto region we are probably talking about 80,000 dogs that are being registered at no cost to the taxpayer.

Finally, as I said before, this is supported by many people. It is supported by the public and by law enforcement agencies. It is also supported by the Senate. The Senate sent a letter to the minister after it reviewed Bill C-17 and one comment was: "We wish to reinforce the message that effective gun control can always be improved". They talked quite clearly about better information through firearms registration, better control over safe storage, better training for firearms users. I agree with Bill C-17. However, I think this bill would substantially improve the control over firearms in our society. It is something which I recognize could probably not be completed in this term of Parliament, but it is certainly something that I will continue to be advocating, as will many concerned Canadians.

• (1720)

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, it is a pleasure to speak on this bill presented by the member. It is a very good bill and worthy of a good deal of consideration. I hope it will pass at second reading so it can go to a legislative committee for further examination.

The ideas she puts forward provide a good long-term solution. Eventually we are going to have to do this. It is a question of when we start. I know that there are a lot of people in Canada who feel that registering their firearms is an infringement of their privacy and that it is totally unnecessary. I understand that. It has never been done before, but that feeling exists. I can understand why it exists. However, it is becoming a problem not to have that information. That is the first aspect.

The second aspect is that we have never really had the technology before where this could be done as efficiently and as well as it can be done now. We are in a technological age and we must utilize the technology we have for the benefit of society as a whole.

The member mentioned the cost of the recording and registering of the firearms on a data system. She said that the cost would be very high. We had an estimate from the Firearms Advisory Committee through the Minister of Justice that this would be a very expensive procedure. I have also had information from certain sources that the cost has been blown out of proportion and that the actual cost will not be nearly as high as some people would have us believe.

I can understand one concern. If we say there has to be a central registry system, then we are going to have a jamming of whoever is in charge of doing this registration and it is going to be very cumbersome and counter-productive. I do not think that need to be the case. If we go into a registry system on a step by step process, we could eliminate these bottlenecks.

The member said that registering the purchase of new firearms, also sale of existing firearms from one person to another would be a good way to start. Even if we made this beginning, we would be a lot further along. Once we get the procedure in place, then certainly we could add to it and gauge how effectively the system is being utilized and whether, in fact, we are moving too quickly or too slowly. Certainly the need is there to start the system.

The member also made mention of a concern I have. We must wherever possible give police the advantage in dealing with domestic crises. These are problems in our society that we have to address. We have to address them quickly. We have to address them more efficiently. We want police to respond. We want them to respond quickly. We want them to respond with understanding. We want them to take meaningful action as a result of their investigations. We want a quick and effective follow-up.

• (1725)

If we are going to ask police to take more of a meaningful role in this and to take it more seriously than certainly some policemen have taken it in the past, then we are going to have to co-operate with them. If we can tell police through the central registry system that there may be firearms in that home, then I think we are giving some advantage to the police.

Certainly not all firearms are going to be registered. If we are dealing with someone who abuses his wife or his children, quite often that person is not going to register a firearm. They may neglect to do it and as such be in violation of the law when we have that registry system.

The fact is we should be able to have a registry system available to a police officer who is going to the scene of family violence. I think we have got to start. The job of the police has to be considered.

Also, we will know as we develop a central registry system how many firearms are there. I feel, as does the hon. member, that the number of hand-guns today has been kept to perhaps a lower level than ordinarily might have been if there was not a central registry system. I think that is good. That is responsible activity in our country. While a lot of people may not like to register their firearms and many will not and will absolutely refuse to register their firearms, most Canadians are law abiding and will register the firearms, so we will get participation and we will get co-operation.

We may never know even with a central registry system how many firearms are out there. As was the case with the ammunitions clip on a firearm, there is no identification quite often. These can be brought in. They can be sent in overnight from the United States. They do not have to be bought in Canada. There is no way of tracing it.

People say: "Why have it in the act that it is unlawful to have a clip that is over 10 for a hand-gun and five for a rifle?" The fact of the matter is if we have a law on that, it is going to do a lot more good than if we do not have a law. As well we cannot say that because we feel some people may not obey the law that is a reason for not having a law.

That is completely counterproductive. If we took that feeling in this House of Commons, we might as well all go home. There will always be some people who will not obey the law.

I commend the hon. member for bringing this legislation forward. I wish her well in this. I think it is a well thought out piece of legislation. I have not studied it in detail, but I have looked at it very quickly. I would like to see this legislation go to a legislative committee so we could study it more thoroughly.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I can say on behalf of my colleague, the member for Port Moody—Coquitlam, that we also certainly would support this bill.

While I am not an expert in this field, coming from urban Vancouver I can certainly support the need for much stronger gun control and that includes registration.

• (1730)

I recently went on a ride-around with the police in my riding late in the night. I can tell you that the incidence of violence, including the misuse of guns, was pretty scary, to say the least.

At the same time we all appreciate that for aboriginal people and for hunters, people living in the north, there is a different situation and certainly we need to be sensitive to the ways that they would see this applied.

I want to come back in a minute to some of the quotes from my colleague so that his position is on the record. I understand during the hearings into the gun control legislation, Bill C-17, that while nearly every advocate that came before the committee called for a national registration system, the minister herself was not convinced of this or was not persuaded of this. This is the minister, of course, who now is aspiring to become the leader of the Conservative Party and indeed the Prime Minister of Canada. It is a little scary to see that she would compromise on so important a matter.

She said, for example, that she avoided implementation of a gun registry, citing a lack of funding as an excuse, and said that in a time of fiscal restraint this government prefers to concentrate the available gun control resources in those areas of the system that will provide real benefits to firearm users and to the public.

That seems a little strange. I would be concerned that a future Prime Minister would not be interested in a mandatory registration of guns in a country like Canada.

I would like to mention the position that our critic took in the committee and in a minority report which he wrote. He said: "Let us target hand-guns and then get back to paramilitary weapons". He was particularly concerned about paramilitary weapons. "These are not for hunters, these are paramilitary weapons that are flowing into Canada. When people buy guns, surely with modern cash registers and computers, we can take a record and send it to the RCMP."

He goes on to say: "We do not need these high powered guns. We do not need them flooding this country. We need some controls. Surely we must have a registration system for future guns so we know where they are and how armed our population is. If they are lost, stolen or get into criminal hands, we can then deal with them". Certainly, we are in support of this bill which spells this out further.

He also said in a later minority report, again particularly being concerned about semi-automatic weapons: "As restriction of semi-automatic weapons under the present law would effectively prohibit hunting activities, I recommend that all unrestricted semi-automatic weapons be registered as a separate class of weapons. Gun owners would also benefit as their valuable firearms would be better protected against theft. Numerous witnesses before the special committee recommended a full national registry system for every firearm in Canada".

He goes on to say that he supports the following proposal which was suggested by some members of the committee and by most witnesses.

All semi-automatic weapons would be registered. All future firearms obtained using the FAC would also be registered at the time of purchase. Finally, every applicant for an FAC would be required to list all their firearms on the applications. This would not place any additional bureaucratic burden on firearm owners with non semi-automatic rifles who do not need an FAC at present. This would move us toward a long-term goal of a full national registry system.

I want to say again that we will support this bill. I will not take the time today to quote this, but I notice in reading over some of the reference materials that certainly the coalition for gun control had a very strong position on this question. The Canadian Police Association said the association has over the past several months conducted an informal survey of the business community. Over 90 per cent of the respondents believe that guns of all kinds should be registered and that there should be a minimum age and compulsory training requirement in order to own a gun of any kind.

• (1735)

The chief of police of metro Toronto had a more detailed brief. I would like to conclude my remarks by including his comments about a national firearms registry. He believes this concept to be sound, reasonable, and workable, yet there is no mention of it in Bill C-17. Neither was it addressed in the special committee's report. It is hard looking back from this perspective to understand why it was not dealt with at that time and not dealt with by the minister. The police chief feels that if it is possible to control and register motor vehicles and domestic animal pets of which there are far more, surely it is possible to register all firearms in Canada. It is noteworthy to learn that the Government of Canada has recently added its name and support to a group of other nations in establishing a world-wide registry control of weapons of war.

The stated intent of this philosophy is to monitor the proliferation and extent of such weapons. Surely this concept could be applied here in Canada where the proliferation of and the accessibility to all firearms has become alarming. Let us get our own house in order first.

I think that is a good place to stop but I assure the member that we will support this and hope that this bill goes into committee so we can deal with it in further detail.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I must congratulate the hon. member for Don Valley North for her bill. It is excellent. This is an important bill intended to correct at least one of the major flaws in Bill C-17 on gun control by simply requiring that firearms acquired after the coming into force of this Act be registered in the owner's name.

Unfortunately, as we all know, the rules of this House allow only one hour for debate on this type of bill and whether or not it will actually be referred to a legislative committee for further consideration is up to the government to decide. I most sincerely wish for this bill to be allowed to go to committee.

Just having this debate is already a clear indication that the existing law is obviously failing to provide effective gun control. Perhaps I should remind the hon. members that it was the present Minister of National Defence and candidate in the Conservative Party leadership race who proudly moved Bill C-17 through Parliament when she was Minister of Justice.

Let us not forget either that the coalition for gun control, which is made up of the Canadian Association of Chiefs of Police, the Federation of Canadian Municipalities, the Police Association of Canada and many other justice and public health organizations, had estimated that this bill satisfied about 10 per cent of its demands.

We have seen what kind of regulations government has made since. The least we can say is that we were very disappointed and that the initial 10 per cent satisfaction rate would likely be much lower today. Let me give you an example. Did you know that the Ruger Mini-14 that was used in the massacre at the École Polytechnique has not even been included in the restricted firearms category? As things stand at the moment, we have no way of knowing how many people own a Ruger Mini-14 and who these people are. And there is no change in sight. Even a weapon like the AK-47 can still be sold today, although it has been classified as restricted, but you at least know who the owner is. Of course, Rambo's gun should have been completely banned.

• (1740)

In the case of the Ruger Mini-14, it can now be sold without having any idea of who owns such a firearm; in fact, we have no idea at all of who owns such firearms in Canada. This bill would at least correct this situation and in the short term, as some members mentioned, at least the semi-automatic weapons which were allowed in the regulations should absolutely be registered in the owners' names, so that they can be more easily traced if they are stolen or lost, and so that the police can identify the owners.

It is incredible; I was at the Polytechnique and I can tell you that you would not be able to distinguish between the weapon used there and an automatic one. To someone who heard the shots fired, it sounded like an automatic firearm. It is absolutely unbelievable that weapons such as that can still be sold today without knowing their owners, without a follow-up. As soon as you obtain a firearms acquisition certificate, you can buy as many of those firearms as you want, without ever having to undergo any control. Obviously, firearms kill many people. Some have said that it is not the firearms which kill, of course, but those who use them. However, we are well aware that where firearms are more restricted, where owners are more accountable, statistics show a significant reduction in the number of deaths caused by their use. People may be injured and there may not be any less violence, but violence with a knife or with fists hurts, while violence with a firearm kills.

Proportionally—hunters are 9 per cent of the population—when we look at the statistics, there are many more deaths due to firearms than to cars, for example.

Therefore, I am very pleased that this issue is being debated again today, now that we know the regulations which were adopted. As you know, Bill C-17 allowed the government to make regulations, to make a list of prohibited weapons, a list of restricted firearms, and a list of firearms which can be bought without any restriction. Obviously, when this bill was passed, nobody imagined that the AK-47 would still be allowed in Canada. This is incredible, because everybody thought that it would be prohibited. Everybody thought that a semi-automatic firearm such as the Ruger Mini-14 would be classified as a restricted weapon. Well, not so. Therefore, the whole issue of registration and control again becomes much more urgent.

I believe that today's computer technology would make it easy and relatively inexpensive to keep a registry of firearms. I think it is a privilege to own a firearm and it would be normal for such a privilege to be controlled.

It has been said many times that hunters would be really unhappy if they had to register their firearms. I personally know many hunters and none of them would oppose such a measure. Hunters are subject to many rules for hunting, except rules regarding firearms. This is incredible. Thousands of moose hunters must take part in a draw every year and if their name is not chosen, they are not allowed to hunt. They accept these rules because the wildlife must be protected. Yet there is hardly any restriction on firearms.

What about protecting people? Something is out of balance and I am convinced that, if you exclude the lobby of those who sell firearms, the common sense of the ordinary citizens who hunt is such that there would be no problem in implementing the compulsory registration of firearms sold, through the most effective and least expensive system available. I sincerely hope that the review of this excellent bill tabled by the hon. member for Don Valley North can continue in the legislative committee.

• (1745)

[*English*]

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am very glad to participate in private members' hour tonight. I would like to say that my colleague in her legislation has proposed some really sweeping changes to the way that most common firearms in Canada are dealt with.

All of us remember a great deal of what the witnesses at the committee said with regard to Bill C-17. If I can back up a bit, prior to Bill C-17 there was another bill. I think it was Bill C-84 which died on the Order Paper. When it came out is when I first got involved and talked to many of my constituents, the gun dealers and the gun clubs in my riding, as well as in all the ridings in Calgary and indeed into southern Alberta.

While Bill C-84 contained many clauses that were totally unacceptable to me, we have been pretty good with regard to Bill C-17. There are some things in it that I am not particularly fond of, but there is compromise within the system.

What my colleague is asking for is the complete registration of all firearms. I cannot accept that and I will not accept that. I would certainly have to vote against it. There are many reasons.

I would like to say first of all that I own shotguns and I own rifles. I have taken training. I think the majority of Canadians that own shotguns and rifles are very careful, understand the safety and use every precaution in how they store, carry and use their weapons. No amount of legislation anywhere is going to prevent someone who is unbalanced or perhaps mentally incompetent from shooting a person if he or she gets hold of a firearm.

What we are doing in the legislation we pass is trying to put forward a law or rule that makes society safer. We have to look at the total society. We have a lot of rural areas in our country. I am from Alberta and there are a lot of rural people, farmers, ranchers, hunters and fishermen who utilize shotguns and rifles daily. They are well trained and use them safely.

What was contained in Bill C-17 which was passed last year has gone a long way to improving the safety of our society. There are areas in that bill which I want to deal with. We placed restrictions on high fire power and military-type firearms. My colleague from the New Democratic Party was speaking about military-type firearms. They are restricted. We increased penalties for misusing a firearm. We have reinforced the screening system through which all Canadians have to pass before they are allowed to own a firearm. It is called the FAC, the firearms acquisition certificate.

Anyone in Canada purchasing a firearm must obtain a firearms acquisition certificate, generally speaking at their local police station. You fill out a form answering specific questions. There is a 28-day waiting period.

The most important thing we have asked for is that certain people sponsor firearm acquisition certificates so not anyone can go out and purchase a rifle or a firearm instantaneously. There is a 28 day waiting period. You have to have people within your community that know you, that can sign their names to vouch that you are indeed a very careful person.

• (1750)

Coming in July 1993, the FAC applicants are going to have to present evidence that they have successfully completed a course or a test involving the safe handling and use of firearms and knowledge of the laws relating to all firearms.

This might present a little bit of a hardship but most of the gun clubs and organizations are willing to work with us. I think if people are trained at a young age—one must be 18 or over to have a firearms acquisition certificate—that they will understand that firearms are a specific piece of machinery. It is not so much the firearm that kills as the person behind it.

It is the responsibility of everyone who owns this type of rifle, hand-gun or shotgun to become very familiar with the law.

I have to say that there is a compromise. The people who perhaps do not enjoy hunting or using rifles and firearms or perhaps are afraid of them might consider that we should ban firearms completely. That is totally out of the question.

My colleague tonight has a bill in front of us that suggests that all firearms be registered. One will have to go through a central registration system. The cost is high. There is no doubt about it. I heard my colleague from Cape Breton saying that the costs were perhaps a little bit out of proportion from what we heard before the committee hearings. That is not true. There are millions and millions of various shotguns and hunting rifles and to ask the police force to openly register and trace these, whether you are purchasing a new firearm or selling it second-hand, is asking a great deal.

First, we have to devote their energies to what their duties are as police service people. Second, all restricted firearms have to be registered with the RCMP. Restricted firearms are listed. As you well know, Mr. Speaker, we have particular brochures that outline those restricted firearms. The commissioner keeps a central list of those particular weapons if they are stolen or if the ownership is transferred. This is all covered in the bill that we passed last year.

I also want to say something to my colleague from Quebec with regard to the tragedy that happened at Ecole Polytechnique when 14 young women lost their lives and also at Concordia University where members of the engineering faculty lost their lives because of someone who perhaps was imbalanced—in one case he was—opened fire with a firearm and took the lives of these particular people. That was uncalled for and no one in this House or from the other place wants to see anything like that happen again. However, registering firearms is not going to resolve that problem at all.

What we have to do is take the specific types of firearms that are indeed the most dangerous and have those registered. We will also enlarge the list of those to be prohibited. Certainly automatics are prohibited. Semi-automatics that have been converted to automatics are prohibited especially if they can be converted within a short period of time.

There are many ranchers, firearms people and hunting clubs within the southern Alberta region to whom I have spoken. They put forth their best thoughts and best ideas when we were putting forth the firearms legislation, Bill C-17.

We upgraded the 1978 firearms legislation. Most of the firearms that are causing us problems come across the border. We have to have customs officers—or contract out to the RCMP or police services people—who understand and know exactly what they are looking for. There is a tremendous amount of money made in the black market with regard to firearms and we have to control that.

I appreciate this opportunity to speak with regard to my colleague's bill. I certainly do not agree with it and in no way could I support it.

• (1755)

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, I listened with interest to the debate today and I wish to congratulate the hon. member for introducing the bill.

I listened to the comments on both sides of the issues and I noted that the person who spoke before me, the hon. member for Calgary Southwest, said she could not accept the complete registration of all firearms. However, she did not say that she was opposed to this bill going to committee. I gather she is in favour of a debate and in favour of it going to committee. Perhaps she might clarify that, or I suppose we will see as the debate proceeds.

I hope it will go to committee because it is clear from debate in the House today that many questions were unanswered as a result of Bill C-17, that there is a need for debate, and that there is a need for further education on the part of members of Parliament and the public at large.

The purpose of the bill would be to establish a reporting system for unrestricted firearms which are acquired after the coming into force of the act. Restricted weapons, typically hand-guns, are registered but unrestricted weapons, typically rifles and shotguns, are not. There is no record of how many unrestricted firearms are in circulation. Persons who are issued firearms acquisition certificates may buy as many unrestricted weapons as they want. The purpose of the bill would be to get a handle on unregistered firearms, to require that unrestricted firearms, typically shotguns and rifles, be registered.

We are talking about after the coming into force of this act. It would an incremental step. It would be a beginning. It would enable us to determine whether the technology available today would allow the implementation of such a system in an efficient manner and a manner that would not impose undue cost or hardship on owners of these weapons.

I support the bill. I hope it goes into committee. I hope we have an opportunity to debate the matter further and to hear from witnesses. I note that many respected organizations support the bill including the Canadian Association of Chiefs of Police, the Canadian Federation of Municipalities, the Canadian Police Association, my city of Montreal, and a number of organizations in the city of Montreal including the Montreal General Hospital Surgical Intensive Care Trauma Unit which has had to deal with the victims of the tragedies at Ecole Polytechnique and Concordia University.

The bill is also supported by Concordia University and by Ecole Polytechnique, the staff, teachers and students of those schools. I support this measure and indeed hope to participate in the committee meetings on this bill.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I would like to make a couple of comments on Bill C-348, an act to amend the Criminal Code with respect to gun control.

I have been looking at the bill. I understand its purpose is to establish a system that would essentially form a system of registration of unrestricted firearms, for example long-guns, hunting rifles and shotguns which people including myself use for recreational purposes. I have some real difficulties with the bill. I guess it is one of those times when I have to disagree with my New Democratic colleague who said the New Democratic Party is supporting this bill. I do not think that is unanimous.

• (1800)

I know that I also speak on behalf of my colleague, the hon. member for Kootenay West—Revelstoke, who feels very much the same as I do.

We of course understand and sympathize with the intent of the legislation which is to reduce the amount of criminal misuse of firearms. Certainly any specific initiatives that can impact on the misuse and the deadly use of firearms in acts of criminal violence should be implemented, but this is going about it in the wrong sense and that is why we have difficulties with the bill.

The bill attempts to restrict ownership of firearms and to layer on more bureaucratic red tape in terms of the purchase, the ownership, the sale and lending of these firearms.

What it is essentially doing is confounding the legitimate and recreational use of firearms that people have throughout Canada. It is essentially attacking the problem from the wrong side. Where we should be attacking the problem is in terms of increased criminal sanctions when firearms are used in criminal acts or in acts of violence. I think that is a more appropriate mechanism in which to impose penalties.

This particular bill, for example, forces the further reporting and filling out of forms for the trading and lending of firearms. Really as was pointed out earlier people that are purchasing firearms or trading firearms now essentially have to register through the firearms acquisition certificate. I think that is an appropriate mechanism in which really anyone that is applying for an FAC is essentially registering that they are going to become a new owner of a firearm.

Rather than increasing the criminal penalties for the use of firearms and acts of violence, which is the focus that we should be taking, this legislation simply frustrates the legitimate recreational use of firearms by Canadians.

Although I fully support the intent, I fully understand the reasons that this bill was brought forward. What I am saying is that it is really the wrong medicine, it is the wrong cure for the causes of criminal violence involving firearms. As a result of that I find it very difficult to support this legislation.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I am pleased to have a few moments to make my own comments in support generally of the position that my colleague from Okanagan—Shuswap just made. I will perhaps be a little more general.

There are a number of us and I think a growing number of us in rural and hinterland Canada that are increasingly getting more than a little fed up with the attempt of city people to impose their political and social values on those of us who have a different way of life and we do have a different way of life.

My colleague from Kootenay East and I broke with our party and voted on third reading against the last regime of firearms control legislation that came before the House. We did that not because we disagreed with the principle behind that legislation but because we felt that it did not recognize sufficiently the differences between rural and urban Canada.

I have a lot of sympathy with people who live in downtown Montreal, Toronto and Vancouver where they are suffering the problems that automatically arise, whether it is caused by firearms or not as the instrument, from a crowding of people into a small space.

That has happened in New York and in Los Angeles and it increasingly I am afraid is going to happen here, particularly as the violent culture that we are bombarded with through the media gets heavier and heavier. We have not found a way to deal with it and the new technology makes it even less likely that we are going to be able to deal with it but this is not the way. One of the Liberal members—I do not know if he was the critic in this area for the Liberal Party—said a few moments ago that just because some people may not obey a law is no reason not to pass it.

I agree. Anyone would agree with that statement. But if there is widespread opposition and widespread contempt for a given regime of regulation and law in large areas of a country, it is unwise for Parliament to act in defiance of that kind of feeling without a great deal more discussion and without allowing a great deal more time for people to be accustomed to different laws and different regimes. Otherwise we simply dare those forces in society, which I think are legitimate ones, to begin to feel a widespread contempt not only for that law but for law generally. That is unhealthy for democracy.

We have, over the last few years, passed two major pieces of legislation on firearms and regulation in Canada after a great deal of debate. Compromises were reached. Not everybody agreed with the final bill. However, to attempt so soon after we have just completed one of those to bring another piece of bureaucracy into an increasingly collectively deregulated, society and increase regulation on individual people, I think is wrong and unwise.

I do not like disagreeing with colleagues in my own party. I do not like disagreeing with people across the way or down in the other end of the Chamber. However before I represent a party I represent the people who sent me here. I am not running again. I have no political axe to grind on this.

I want to conclude by quoting a famous British labour statesman, Aneuran Bevan, when he said: "A motion is good petrol but a shockingly bad driver".

I understand the kind of emotions that are the driving force behind this proposed legislation, whether it is proposed by a Conservative, as in this case, or by a Liberal or by some of my colleagues in the NDP. But I reject totally that it is wise. All the bill will do if it should succeed is increase bureaucracy, increase the regulation of people, deny personal freedom, with no real positive result. Further it will bring the whole democratic process into disrepute and contempt by a wider number of Canadians, many of whom live in the kind of area that I represent.

I am glad to associate myself in this regard with my colleague who spoke a few moments ago, the hon. member for Okanagan—Shuswap. It is the wrong time, even if it were intelligent. It is too much at once for people who feel that they have had enough already. The bureaucracy dealing with firearms registration is not yet equipped to deal expeditiously with the regulations we already have. For God's sake, let us not go any further at this time.

The Acting Speaker (Mr. Brightwell): There being no further members rising for debate, the time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being 6.07 p.m., pursuant to Standing Order 24(3) this House stands adjourned until tomorrow at 10 o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.07 p.m.

HOUSE OF COMMONS

Friday, March 26, 1993

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

• (1010)

[*English*]

BORROWING AUTHORITY ACT, 1993–94

MEASURE TO ENACT

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved that Bill C–117, an act to provide borrowing authority for the fiscal year beginning on April 1, 1993, be read the second time and referred to a legislative committee in the Economics envelope.

He said: Madam Speaker, I very much appreciate the opportunity to speak at second reading of Bill C–117, the 1993–94 borrowing authority act.

Bill C–117 gives the government the authority to carry out its regular borrowing program for the fiscal year 1993–94. Under normal circumstances the bill requesting this authority would be tabled at the time of the tabling of the federal budget, usually in February, and the fiscal framework in the budget serves as the basis for the new borrowing authority.

However this year circumstances are not the same as in the past, as I did present an economic statement to the House in December with an update of the 1993–94 financial situation. As I indicated earlier, I will be introducing a budget shortly after we return from our Easter break.

Given that fact, it is important to have the new borrowing authority bill before Parliament before the new fiscal year begins, otherwise we run the risk of the bill not being passed before the borrowing authority runs out.

The fiscal framework set out in the economic statement in December provides the basis for both the 1993–94 borrowing authority and the 1993–94 Main Estimates.

With the December statement and the Main Estimates Parliament has all the information it needs to deal with the borrowing bill. I will discuss the main contents of the bill shortly, but first of all I would like to comment on the government's general economic and fiscal situation.

Since coming to office the government has pursued a clearly defined strategy to bring federal finances under control, improve Canada's international competitiveness and strengthen the private sector as the main engine of growth and job creation.

Our economic priority is to build confidence, enhance growth, create jobs and help Canadians adjust to the current economic changes and take advantage of new opportunities.

All our efforts have been directed at investing in growth through sound monetary and fiscal policies, opening up new markets through trade liberalization, streamlining government, reducing government intervention, the privatization of Crown corporations, the building of skills of Canadians and the encouragement of the private sector as the main basis for economic progress.

Despite the severe impact of a world–wide recession these efforts are beginning to yield positive effects. Canada's economy grew last year at a rate of about 1 per cent, however fourth quarter growth showed a strong upward trend of 3.5 per cent at an annual rate, with exports being the driving force. However, domestic demand has remained hesitant.

On the other hand there are encouraging signs, particularly with the growing competitive strength based on low inflation, the lowest in 30 years; reduced interest rates, the lowest prime rate in 20 years; and some mortgage rates at 5.75 per cent, the lowest in 35 years along with enhanced national productivity. These all augur very well.

This new Canadian strength is reflected in our export performance. Canadian businesses last year sold $157.5 billion in merchandise to foreign markets. That is an increase of almost 21 per cent since the Canada–U.S. Free Trade Agreement was put in place. It also represents an increase of 11 per cent over 1991, the largest year–over–year increase since 1984.

• (1015)

I should indicate as well there are some rather interesting statistics I feel must be put on the record.

For example, in dealing with exports to the United States, Ontario's exports to the United States have increased by 29 per cent, from $56.4 billion in 1988 to $72.6 billion in 1992. Quebec's exports have increased by 27 per cent, from $16.5 billion in 1988 to $21 billion in 1992.

To go to my own home province of Alberta, again there has been an increase in exports to the United States since the free trade agreement came into effect. Alberta's exports to the United States have surged since the free trade agreement was put in place by rising 52 per cent, from $9.1 billion in 1988 to $13.8 billion in 1992.

In British Columbia, exports to the U.S. have increased by almost 14 per cent, from $7.4 billion in 1988 to $8.4 billion in 1992. Saskatchewan's exports have increased 44 per cent, from $2 billion in 1988 to $2.8 billion in 1992. Manitoba's exports are up 30 per cent, from $1.7 billion in 1988 to $2.3 billion in 1992. Nova Scotia's exports to the U.S. have increased by 29 per cent, from $1.4 billion in 1988 to $1.8 billion in 1992.

These are very impressive increases.

To look at some other sectors, transportation, electrical and electronic and chemical industries accounted for most of the gains of over 70 per cent recorded by Canada and the U.S. since the free trade agreement came into effect. Other sectors such as the Canadian high–tech exports to the United States grew from $6.6 billion to $10.7 billion, a gain of 63 per cent. The office, telecommunications and precision equipment component of that grew by 74 per cent. The electronics component went from $893 million in 1988 to $2.9 billion in 1991, a gain of 225 per cent.

These figures do not include the dramatic gains in exports to the U.S. which we have seen in the first 11 months of 1992. We really have chalked up an impressive increase in our exports to the United States since the free trade agreement was put in place.

We hear so often across the way that the free trade agreement has caused the so–called deindustrialization of Ontario. This is what the Canadian Manufacturers' Association has to say about that:

When the president of the CMA, Mr. Stephen Van Houten, was asked in a CBC interview how the free trade agreement had helped or hindered its members, he replied: "Oh, it has helped considerably. In fact, exports of manufactured goods from Canada to the United States have gone up 60 per cent since the free trade agreement came into force. So those who blame the free trade agreement for all of our ills and job losses frankly do not know what they are talking about. Without that business we would be in real trouble". The interviewer asked this question: "And you are looking forward to NAFTA?" Van Houten replied: "Very much so indeed. Our members are behind it; they tell us so in a 10:1 ratio".

That was right from the president of the Canadian Manufacturers' Association. I happen to know as well that if he were asked what his opinion was of the GST, he would clearly say that without the GST there would not have been that kind of increase and that kind of penetration. The changing of the manufacturers' sales tax, the removal of the archaic, destructive manufacturers' sales tax has increased the competitive position of the Canadian manufacturing industry by something in the order of $3.5 billion to $4 billion.

Those are very impressive statistics. They clearly demonstrate that some of the policies we have been following are indeed working, making Canada more competitive, exporting more, generating more wealth, generating more jobs and improving the economic fortunes of all Canadians.

• (1020)

For the economy this year, these trends all support the view that we can meet the growth rate as forecast in the December economic statement of 2.5 per cent. As a matter of fact I am quite confident that can be exceeded.

The OECD, for example, in its forecast in mid-December predicted Canada's growth of 3.2 per cent this year and 4.2 per cent in 1994. Those are the levels that would lead the G-7 major economies.

I should say as well that Canada and the United States are clearly the leaders in terms of world growth. France is looking like its growth will be flat. The United Kingdom is still in a negative growth position, after seven or eight successive quarters of negative growth. Italy is going into a decline. Germany is expected to have negative growth. Japan is expected to have growth something in the order of 1.5 per cent to 2 per cent. Really, the promise is clearly focused on the North American situation and Canada is very much a part of it.

Still we notice that this means the over-all pace of growth will not be that encouraging, but it will be very competitive. It will require us to continue to improve our productivity and our competitiveness and to build upon the progress that has already been made.

Clearly an essential component of maintaining growth and economic progress, the single most critical issue that we face today in terms of determining our national potential for growth and job creation is to get a better handle on the deficit and the debt. I speak in terms of not only the federal deficit, but indeed the provincial deficits as well.

Since 1984-85 this government has taken firm action to improve Canada's fiscal framework and real progress has been made in reducing the deficit. As a matter of fact, I have said and I say so again, the deficit as a percentage of GDP has been reduced by almost 50 per cent, from about 8.7 per cent to 5.1 per cent. That is real progress and much of that progress was made notwithstanding the fact that we have been in the recession.

Much of this improvement results from the consistent spending restraint we have put in place. For example, from 1985-86 to 1992-93, the government has implemented a variety of restraint measures that have saved about $120 billion. About $120 billion have been shaved off the expenditure plans of the government. With these restraint measures in place, program spending growth averaged 4.1 per cent from 1984-85 to 1991-92 which is well under the rate of inflation.

By comparison, in the years 1969-70 to 1984-85 program spending grew at an annual rate of 13.8 per cent. In that period of time, the national debt increased elevenfold from about $18.5 billion to $206 billion. There was an elevenfold increase in the national debt during that period of time. That is what happens when program expenditures grow at the rate of almost 14 per cent over a period of 15 years. That is what happens when $1.33 is spent for every dollar's worth of revenue taken in. It simply cannot be sustained and we stopped that and turned it around.

As a result of this spending restraint, this year the government again will run an operating surplus in total revenues, that is, total revenues minus program spending. We have run an operational surplus every year since 1987-88 and it has accumulated. It has amounted to some $33 billion of accumulated surpluses since 1987-88.

Bear in mind when we assumed office, the operational deficit in 1984-85 was $16 billion. When that is contrasted with the previous administration, since 1987-88 we have generated a cumulative operational surplus of $33 billion. Contrast that with the period prior to 1984-85 when the administration previously chalked up a cumulative operational deficit during that period of time. The 10-year period before 1984-85 chalked up an operational deficit of $66.3 billion. If we had continued to spend along the lines of the previous administration and followed the Liberal pattern, we would have had a deficit of $82.5 billion today. We took action. To reinforce that commitment to restraint we brought in legislation, the Spending Control Act, which sets out firm ceilings on federal program spending for the period 1991-92 to 1995-96. The tough restraint measures we have put in place have held spending limits under the Spending Control Act.

• (1025)

Notwithstanding these efforts, the weakness of the economy in 1992 had a major effect upon government revenues and put upward pressure on the deficit. Confronted by this economic sluggishness we took strong action in December to reduce spending levels by an additional $8 billion over the balance of this fiscal year and the two years to come.

As hon. members know we took action to freeze the salaries of cabinet ministers, members of Parliament and those in the Public Service. I should point out that this is the sixth time since 1985 that cabinet ministers' and members' salaries have been cut or frozen.

We advanced a 5 per cent reduction in departmental operating budgets over the next two-year period. As for defence alone the combination of wage freezing and operating cuts will mean savings of $1.3 billion to the taxpayers of Canada.

We took targeted action on the unemployment insurance program. We cut 10 per cent in federal grants and contributions. We are prepared to take additional action as needed to ensure that our deficits as pledged in the December statement will hold true to form and to secure a firm, committed and credible track to get the government out of the pattern of public and international borrowing.

The December economic statement included a number of initiatives to bolster public and private investment and to encourage economic growth. As one will recall we announced support for small business, research and development and training and adjustment. I must say I am very pleased with the fact that the changes to the Small Businesses Loans Act, a very important piece of legislation, have been passed by the Senate and proclaimed into law. This will certainly help in a very tangible way our small business sector. I am very pleased to see that the banks, the Bank of Nova Scotia for example, announced they will be making loans under the provisions of the Small Businesses Loans Act at the prime rate of 6 per cent. I think this will be a real boon to the small business sector and provide additional stimulus to the small business sector for the creation of jobs.

We also undertook initiatives to improve the construction and resource sectors. We provided incentives for job creation through the UI premium holiday. We extended the successful home buyers plan that was introduced in last year's budget. We extended a number of improvements to encourage infrastructure and provide for some public expenditure to create jobs and to improve the competitiveness and productivity of our major industrial sectors. All of these measures will help the recovery and at the same time will ensure responsible action to reduce deficits.

We all know that all governments face similar fiscal pressures. I think it is important for all members and all people in Canada to recognize that deficits and growing debt are not just federal problems but are problems that are facing all administrations. For example provincial deficits have tripled over the last six years from $7.6 billion in 1987–88 to an estimated $23.4 billion this year. These deficits are being fuelled by spending increases that carry an onerous price. We only have to look at what happened when the federal government in the 1970s and early 1980s let program spending grow at a rate that eclipsed economic growth.

There is no way that the federal government could sustain program spending increases that averaged about 14 per cent a year for the 15 years prior to 1984–85. It created a debt and interest load that is punishing us today even though our government cut the average rate of program growth dramatically.

• (1030)

We all know that the current cost of servicing the debt is 32 cents out of every revenue dollar we take in. In other words for every revenue dollar that is taken in, 32 cents is lopped off the top to pay the interest on the cost of servicing the debt. Obviously that leaves that much less money to be spent on economic and social programs. If we do not deal with that and if we do not redress it then it will become progressively worse.

Likewise there is no way the provinces could sustain an average annual growth and program spending of 7.5 per cent. That is the level of spending their growth was increasing at. In some cases it was as high as 10 per cent. They are becoming trapped in the same vicious circle. We now see that provinces are running operational deficits as well. They obviously cannot sustain that.

However, in this regard we should all be encouraged that provinces are indeed taking action to contain spending. It is also encouraging to hear provinces indicating a renewed interest in working with each other and with the federal government to join in a national plan for restoring Canada's fiscal health.

We have been recommending this for some time. I certainly want to assure all members of the House and all the provinces that we will provide leadership action in dealing with this issue. We certainly have laid out a plan. We certainly would like to see a strategy outline with certain goals and objectives that can be achieved in a co-operative and co-ordinated fashion.

That puts this bill into context. I would now like to turn to the main elements of the bill. Bill C–117 contains three standard elements of previous borrowing bills. They are: first, the financial authority to cover financial requirements for 1993–94; second, the exchange fund account profits; and third, a contingency reserve.

The first element provides the government with the authority to cover its anticipated requirement for borrowing in order to meet the net financial requirements set out in the economic statement.

The second element of the bill provides for an amount of money to cover exchange fund account profits. These are the earnings which give rise to additional Canadian dollar borrowing requirements. Exchange fund account earnings are retained in the account and their main purpose is to provide the government with the capacity to intervene in foreign exchange markets.

The third element provides for a $3 billion non–lapsing reserve to cover contingencies. The reserve is there to cover unexpected contingencies such as foreign exchange and intervention requirements. This amount is the same as requested in borrowing authority bills over the last six years.

Bill C–117 is requesting $31.5 billion of regular borrowing authority for the 1993–94 fiscal year. This includes estimated financial requirements of $26.5 billion, projected exchange fund account earnings of $2 billion and a non–lapsing contingency reserve of $3 billion.

In line with the measure introduced in last year's legislation, Bill C–117 ensures that the 1993–94 borrowing authority may only be used after the 1993–94 fiscal year begins. This provision links the borrowing authority to the 1993–94 financial requirements even if Bill C–117 receives Royal Assent before the beginning of 1993–94.

The bill contains a standard clause stating that any unused borrowing authority granted by this bill over $3 billion will be cancelled on March 31, 1994. This clause allows the $3 billion non–lapsing contingency reserve to be carried forward into 1994–95 in case new borrowing authority is not in place by then.

There are also a couple of technical clauses that ensure the use of the borrowing authority matches the financial requirements for the year for which it was granted.

In addition, the bill provides for any unused borrowing authority for 1992–93 to be cancelled once Bill C–117 comes into force. Prior to this bill coming into force, the $3 billion contingency from the previous year's authority can be used between March 31 and the date the new borrowing authority takes effect.

Furthermore any portion of the $3 billion contingency reserve carried forward from 1992–93 and used during 1993–94 will be deducted from the 1993–94 borrowing authority.

I know that hon. members recognize the importance of passing this bill before borrowing authority runs out early in the 1993–94 fiscal year. We have announced the borrowing program for the first fiscal quarter to provide information to our investors and orderly marketing conditions for the large debt program.

• (1035)

This borrowing authority is a normal part of the operations of the government so I ask my colleagues to consider it and give it expeditious passage.

Hon. Herb Gray (Windsor West): Madam Speaker, only a month and a half ago the Minister of Finance through the parliamentary secretary asked this House to pass a bill authorizing the government to borrow a further $8.2 billion. This was supposedly to deal with the additional requirements of the government for the fiscal year beginning April 1, 1992.

Now, only a month and a half later, we see the Minister of Finance himself here again on behalf of the government asking for the authority to borrow $31.5 billion for the fiscal year beginning April 1, 1993. This is another request for substantial borrowing authority only a few weeks after a similar bill was presented to this House by the government.

I do not think the government has made a more convincing case for its financial record today any more than it did a month and a half ago when the earlier bill was presented by the parliamentary secretary.

The minister himself today has talked about the purposes of the government's financial policy. He talked about creating jobs and growth and helping Canadians to adjust. What has been the result of this government's policies? Since 1989 Canada has lost 325,000 manufacturing jobs. Unemployment has been at double–digit levels for two consecutive years and in spite of some slight improvement there are no prospects of this changing for the rest of this year and well into next year according to the government itself.

More than 200,000 people and firms have gone bankrupt since 1990 and 40 per cent of service sector jobs pay wages below the poverty level. Adjusted for inflation, average family incomes are no higher today than they were in 1983.

This situation did not happen by accident. I think this Conservative government has made some very basic policy errors such as fighting inflation at all costs, supporting high real interest rates and a high Canadian dollar and, in spite of what the Minister of Finance has said—I will talk more about this in a few minutes—a free trade agreement without a subsidies code or adjustment programs that contributed to the decline in manufacturing jobs and the deterioration of our industrial base in this country.

The minister has been talking about the benefits of his policies, his Conservative government's policies. But there are some other disturbing numbers in addition to those I have just put on the record which help to confirm that these policies have hurt rather than helped Canadians and their families in the last several years as well as at present and with respect to their prospects for the future.

Yesterday in *The Globe and Mail* Robert Sheppard wrote a very interesting but troubling column in which he said:

> By now, most Canadians are probably aware that once wealthy Ontario has finally overtaken New Brunswick—in a big jump last year—to become the province with the largest share of welfare recipients among its general population.
>
> As of last June, 17 per cent of Ontarians under 60 were receiving some form of provincial or municipal welfare. This is nearly three times the prevailing level throughout most of the 1980s, and four times what it was in the decade before.

• (1040)

Imagine that. In the province of Ontario 17 per cent of the population under 60 is now receiving some form of provincial or municipal welfare. What an indictment of this Conservative government's policies.

Mr. Sheppard goes on to say:

> Neither Ontario nor the country can afford to let their new bases be set at the 10 per cent national range, let alone Ontario's 17 per cent, only to be augmented by the "jobless recovery" of the next few years.

We have to note that to the extent there is recovery in this country it is tragically a "jobless recovery". No matter how much Canadian workers increase their skills there are still not enough jobs to meet the needs of those already unemployed, much less those entering the labour market.

The Minister of Finance went on at some length about his government's tax policies. He did not make clear that since this Conservative government came into office taxes for ordinary Canadians have been increased some 36 times. Today in *The Globe and Mail* Jeffrey Simpson wrote that:

> Among the world's seven leading industrialized countries, only in Italy did tax revenues rise faster as a share of the economy in the 1980s than in Canada. In 1991, tax revenues in Canada accounted for 39.4 per cent of gross domestic product, compared with 31.6 per cent in 1980.
>
> In 1980, Canadian taxes as a percentage of GDP were 6.5 points below Germany's and 3.5 points below Britain's. By 1991, the Canadian percentage exceeded that of both Germany and Britain by 3 points. In the same period, the gap between the Canadian and U.S. rates soared to 10 percentage points from 2, a striking difference between the world's largest trading partners.

Mr. Simpson made one of the most important points of all with respect to how this Conservative government has increased the tax burden on ordinary Canadians when he said:

> What's arresting in the figures, compiled from the Organization for Economic Co-operation and Development, is how fast Canadian taxes have jumped in recent years. The tax to GDP ratio increased by 4 percentage points from 1989 to 1991 whereas it remained steady in France and the United States and actually dropped in Germany and Great Britain.

I do not think I have to remind Canadians that the present Conservative government has been in office for almost nine years, that is, over most of the period we have been talking about and certainly during the period between 1989 and 1991 when the tax to GDP ratio increased by 4 percentage points in only some two years. This is another indictment of this Conservative government and its record and the way it has mishandled the finances of this country, in spite of the protestations today by the Minister of Finance.

The Minister of Finance talked about the very good record of this government in handling these finances. What does the record actually say? It says that the accumulated public debt is in the area of $450 billion, more than twice as much as it was when this Conservative government took office. Is that good management of the country's affairs? No matter what the Conservatives say, the record is clear. The public debt is more than double today what it was when this Conservative government took office.

• (1045)

The Minister of Finance talks about the deficit. He admitted in his December economic statement that the budget deficit for the fiscal year 1992–93 would be $34.4 billion, some $6.9 billion more than had been forecast only a few months earlier in his February 1992 budget. The deficit is really not much different than when his government took office. As I said in this House in the borrowing bill debate only a month and a half ago, this government has put the Canadian economy and the Canadian people through a very high degree of pain for no real gain.

Another measure of this government's mishandling of the financial affairs of this country is the ratio of debt to our gross domestic product. When this government took office the ratio of debt to Gross Domestic Product was only 42 per cent. It is now in the area of about 65 per cent. That is a tremendous increase in the period since this Conservative government took office. It is a real deterioration from what it was when this government took office claiming that it had the answer when it came to our debt and deficit problems. Yes, it had the answer. That answer was to make things worse.

In the minister's speech today he talked about what the borrowing requirements would be used for, but he did not make clear that since this Conservative government has been in office its debt, which was once held almost entirely by Canadians, is now to an increasing and troubling extent held by borrowers outside this country. More than 20 per cent is held by borrowers outside this country, making us vulnerable to pressures that did not exist before this Conservative government took office.

These are the realities of our debt and deficit situation which the Minister of Finance conveniently ignored in his speech a few minutes ago. I can understand why he ignored these figures. I can understand why he ignored these realities. It is because they paint a very different picture, a more realistic and accurate picture about this government's handling of this country's financial affairs than anything he said in his speech. We can understand why he would prefer to sweep these facts under the rug and try to pretend they do not exist. They do exist and they cannot be forgotten and they will not be forgotten by Canadians when they pass judgment on this government in the next election.

The minister went on to speak about improvements in exports which we welcome. He talked about linking this improvement with the free trade deal. What he did not mention was that 80 per cent of the exports of this country to the United States were duty-free before the free trade deal went into existence. They were already duty-free, 80 per cent of them. How can he say with a straight face that this improvement in exports was in fact linked with the existence of the free trade deal with the United States? Common sense would say that simply does not hold up if the reality is that 80 per cent of our exports to that country went there duty-free before the free trade deal was in existence.

He did not talk about how our exports improved because the dollar went down after this government for months and years supported a high dollar policy which undermined our export sector, whether we are talking about exports of resources or exports of manufactured goods. He did not talk about how our exports were helped finally by lower interest rates although they are still quite high in real terms compared to the interest rates in the United States. So there are other factors there which can account for the improvement in our exports.

• (1050)

Thank goodness for an improvement in our exports because according to the government's own statistical agency, Statistics Canada, if it was not for this improvement, even the weak and slow and vacillating growth we have seen would not be there because we have in this country a very weak domestic demand according to Statistics Canada in its publication the *Canadian Economic Observer*. That is important because domestic demand accounts for 60 per cent of the activity in our economy.

According to Statistics Canada if there is to be continued growth in the economy it will have to depend on a further pick-up in exports rather than an improvement in domestic demand. Statistics Canada in its current publication of the *Canadian Economic Observer* made clear that Canadian job growth slowed in January and February and household demands for cars and housing remained sluggish. Here I am making use of a summary of this publication in a story from Dow Jones in today's *Financial Post*: "Statistics Canada said that the reasons for the slump in household demand are unclear because they occurred at a time of rising unemployment and falling interest rates".

It seems pretty clear to me. I suggest that it seems pretty clear to most Canadians that household demand would not be very strong and consumers would not have much confidence about whether they should spend their money if unemployment was rising. They would not have that confidence if unemployment remains high and shows little prospect of change because of the policies of this Conservative government over the next year and the year afterward.

Yes, Statistics Canada, the government's own statistical agency, confirmed a weakness in household demand. That means the intention of individual consumers, individual families, working people, working men and women and small business people to buy. Statistics Canada confirmed weak consumer confidence and little prospect of change. The public is passing judgment through that lack of confidence and through that lack of household demand in this Conservative government's policies. That judgment is that the government has been a failure and has caused destruction and damage to the lives of hundreds of thousands of Canadians.

Just a few months ago, looking at the policies of this Conservative government, our distinguished Whip said to me: "If the medicine is so good then why is the patient still so sick?" That I thought was a statement of essential truth. If the Conservative medicine is so good then why is the patient still so sick? The fact is that the patient is still so sick because the Conservative medicine has not been good. It has made the patient sick. It has created the sickness rather than curing that sickness when it comes to the health of the Canadian economy.

This is confirmed by what Statistics Canada says about our unemployment figures. We know that fortunately they improved slightly in the past month but they are still well above double-digit levels at 10.8 per cent.

• (1055)

Statistics Canada said the main reason it improved was not because there have been a substantial number of new jobs but because a large number of Canadians gave up. They lost hope. They left the labour force. The total size of the labour force dropped.

If that were not the case we would not have seen any improvement in the unemployment figures at all. They are still shamefully high across this country, in my own city of Windsor and in many cities like it in every part of Canada.

The Minister of Finance has talked about how well his policies have been working as a way of justifying the continued request for borrowing by his government.

As I have said before, as with a business in the private sector, the government's revenues do not come in at the same time as its required needs for expenditures and borrowing. In using this debate on the government's borrowing bill as a way of putting on the record and justifying this government's economic policies, the Minister of Finance, while certainly a good debater and a good speaker, really has not made a convincing case at all as to why these policies deserve to be further supported by the Canadian people.

What is missing in the government's talk about its economic policies now and in the future is any commitment to economic growth. There is no real commitment as a priority to helping the economy grow, as part of the answer to its problems whether they are problems of unemployment, the yearly deficit or the accumulated public debt.

Yes, we need to have a sound basis of fiscal management. Yes, we need to have control of government expenditures. At the same time if government revenues are weak—the minister admitted that today—then they are weak because of the lack of economic growth. Without policies of government aimed at encouraging economic growth we are not going to get a handle on problems of the debt and the deficit. We are certainly not going to get a handle on the problem of high and chronic unemployment.

What we need is something that this government has not only refused to make a commitment to, in fact it has gone in the opposite direction. It is a commitment to economic growth as a priority of government policy for the purpose of dealing with the problems of the debt and the deficit. It is equally important for the need to deal with the lack of jobs for Canadians and all that means in terms of their hopes and confidence for the future.

This is an essential difference between the Conservatives and the Liberals. This is an essential difference between the government and my party because we are committed to operating in a framework of fiscal responsibility, but we want to use it for the purpose of growing the economy to provide better lives for Canadians now and in the future.

As I said earlier, Canadians, especially in the coming months, have to ask themselves: "If the Conservative medicine has been so good then why is the patient still so sick?" I know their common sense and good judgment will tell them that the Conservative medicine has been wrong for Canada because no matter what changes may come in the leadership of the Conservative Party, nothing else will have changed. The content of the package is the same bad medicine that brings sickness rather than health. It brings sickness in an economic and social sense rather than hope and confidence.

Therefore I say this minister has not made a case for the economic policies of his government and they must be rejected along with his government. I am confident that will happen in the next election. It will soon be replaced by a new, effective Liberal government working now and in the future in the interests of all Canadians.

• (1100)

Madam Deputy Speaker: Would I be wrong to assume that the hon. member for Essex—Windsor would rather wait until after Question Period to start instead of starting now for one minute? Let us call it eleven o'clock a.m. and proceed with statements by members pursuant to Standing Order 31.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*English*]

TAXATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, one-third of all the taxes the city of Ottawa received last year came from the Government of Canada.

In their December economic statement the Tories announced that they were freezing these grants in lieu of taxes at 1992 levels. In effect, the Conservative government has unilaterally reduced its own taxes and imposed upon the rest of taxpayers in Ottawa a 5 per cent increase. The Ottawa city council estimates the freeze will cost it about $4.5 million dollars in 1993. Without this money other taxpayers will have to pick up the tab.

This unacceptable decision goes against years of co-operation between municipalities and the federal government. Yesterday we heard that the government might, and I underline might, be able to pay some of the increase it owes municipalities by renegotiating the base.

I urge the government to act like a responsible taxpayer as the rest of us do and—

[*Translation*]

Madam Deputy Speaker: I am sorry, but the hon. member's time has expired.

* * *

[*English*]

CANADA CUSTOMS

Mr. Ken James (Sarnia—Lambton): Madam Speaker, I rise today in support of reports that Canada Customs is planning to institute a new business relationship initiative, or NBR. I applaud the effort to streamline procedures and reduce costs.

I also hope that NBR will bring a new and more practical approach to customs operations at the border. The so-called no hassle policy seems to have suffered a quick and easy death in my riding of Sarnia—Lambton.

A number of our small businesses have been banging on my door to complain that customs seems to take some pleasure in making it more difficult and more costly for them to do business.

This comes at a time when our government is trying to rekindle, support and enhance a small business community that is the life-blood of our economy.

I hope that the department's new business relationship initiative can be revisited. I can assure Revenue Canada of my full co-operation and a little to boot if it stops putting the boots to small business.

* * *

TRANSFER PAYMENTS

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Madam Speaker, in recent months various letters to the editor and comments from Premier Rae of Ontario and other provincial authorities have all suggested that the federal government has drastically cut transfers to the provinces.

The term drastically cut is very wrong as there have been no cuts, so I wish to place the facts on the table. Since 1984 transfers from the federal government to the provinces have increased at an average of 5.4 per cent, and the average growth of Ontario transfers since 1984 has been 6.2 per cent.

Very rapid growth in transfers occurred in the Canada Assistance Plan area, which includes contributions to social measures such as welfare and community benefits. During Ontario's boom time, Ontario's social needs grew at an average rate of 20 per cent per year. One wonders what policies caused social costs to increase 20 per cent during a boom period.

Of course, during the same period Ontario's spending more than doubled, increasing from $22.5 billion to a budgeted expenditure of $50.9 billion for 1993. Transfer payments to Ontario grew with no restraint from 1984 until 1990 at an average rate of nearly 12 per cent per year—

[*Translation*]

Madam Deputy Speaker: I am sorry, but the hon. member's time has expired.

SAINT-LAURENT

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, Saint-Laurent is celebrating its hundredth anniversary this year. Starting September 26, the centennial committee will offer a souvenir pocket calendar to residents, businesses and industries and sell a passport for the festivities.

In its 100 years the city of Saint-Laurent has become one of the most beautiful in the province and its second-largest industrial city. We have become a culturally rich city, with local theatre, painting and music.

This year the city of Saint-Laurent invites everyone to come and discover us. I wish all the citizens of Saint-Laurent a happy centenary.

• (1105)

[*English*]

The people of St-Laurent have a great deal to celebrate in this our centennial year. I invite everyone to come and discover what I have known about St-Laurent for many years. It is a great place to live and do business. Happy Birthday, St-Laurent.

* * *

CREDIT CARD INTEREST RATES

Mr. Walter Van De Walle (St. Albert): Madam Speaker, while the announcement by the banks of Canada that they will cut their credit card rates by a single percentage point to 15.75 per cent is encouraging, the total dollar value of credit purchases in Canada continues to rise from one year to another, this in a time of restraint.

As a result of the fact that only 50 per cent of Canadian credit card holders pay off their balances each month the accumulated outstanding debt is almost $11 billion and rising.

This is an unacceptable situation. Surely when the prime lending rate rests at 6 per cent the credit card industry should not be patting itself on the back for lowering its rate. There is still a spread of nearly 10 per cent above prime.

It is still ripping off the Canadian public with these excessive rates. I call upon the Department of Consumer and Corporate Affairs to investigate these high credit card interest rates and start protecting the Canadian public from the credit sharks.

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, the total arrogance and contempt for democracy of this government is on display again.

By limiting debate on the substance of North American free trade to only two days the Conservative government is denying the people of northern Canada, and all Canadians, their fundamental right to have their concerns debated in this Parliament.

Northerners want to know how NAFTA will affect them on issues like telecommunications, water exports and local benefits from their resources.

Eighty per cent of my constituents do not have telephones, so who is going to pay to have them installed when U.S. companies cream off all the profit in the telecommunications industry? Water is the life-blood of northern Canada. Yet this agreement leaves our waters as unprotected as a baby in a snowstorm.

NAFTA also restricts the ability of governments to guarantee local benefits from resource development like employment, secondary processing, revenue sharing and preference for local northern business.

NAFTA is bad news for northern Canada and this government will pay a high price for muzzling this debate.

* * *

[*Translation*]

ENTREPRENEURSHIP

Mr. Yvon Côté (Richmond—Wolfe): Madam Speaker, I am extremely pleased to tell you about a wonderful initiative of a labour union in my lovely riding of Richmond—Wolfe, in Asbestos to be precise, where the workers have decided to invest $5 million in their own company. This initiative was taken by a union which has set up an investment co-operative.

We can already imagine the fantastic advantages that can flow from such entrepreneurial co-operation. For example, think of the better labour relations between management and the unions, who were usually at odds and now will be co-investors. Also think of the pride and feeling of belonging in the company, where both partners, traditionally on opposite sides, will now work together to produce a better product thanks to the improved relations and identification with the company. Of course we can also mention the effect of all this on the region's economy. What an example they set!

I would like to point out this important contribution from a union and I congratulate my fellow citizens on their investment.

Madam Deputy Speaker: The hon. member's time has expired.

* * *

[*English*]

INTERPROVINCIAL TRADE

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, last week when the Minister for International Trade met with provincial ministers one of the items on the agenda was the removal of interprovincial trade barriers. Yet right here in the nation's capital there exists one of the most blatant examples of an interprovincial trade barrier, and it is stifling economic development in this region.

The municipalities on both sides of the river have taken this in hand. They have already agreed not to discriminate in hiring on the basis of place of residence and are taking further measures to eliminate trade barriers with respect to the construction industry. However they need the co-operation of the federal government and both provincial governments to achieve a level playing-field.

I urge the Minister of Finance, if he really wants to remove barriers, to make sure that work on the construction of the new archives in Gatineau is equally available to workers on both sides of the river.

* * *

PUBLIC WORKS

Mr. Bill Casey (Cumberland—Colchester): Madam Speaker, supporters of the fixed link are again asking the federal government to comply with the court decision calling for a section 12 determination and proceed with the project.

Supporters not only include business groups but a cross-section of people and organizations such as the labourers union, the federation of agriculture, the carpenters union, and the federation of labour, as well as the Chambers of Commerce of Charlottetown, Summerside and Kensington, the road builders association, the tourism association, the manufacturers association, the construction association, the hotel association, the convention bureau, the restaurant association, the engineers association, the real estate association and on and on.

• (1110)

It is clear that the majority of people on Prince Edward Island want and need the fixed link. I urge the government to forge ahead, meet the conditions of the court decision and proceed with construction.

* * *

HUMAN RIGHTS

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, Canada can make a difference in the progress of human rights throughout the world. Canada should be taking the lead in ensuring that the World Conference on Human Rights in Vienna this summer is a success. That success can be measured in terms of new concrete action to strengthen the accountability of member states for their commitment to human rights and by expanding United Nations mechanisms which would work to protect women, indigenous peoples, refugees, disabled persons, democracy activists and development workers.

It has been too easy in the past to deny the universality of the human rights charter on the basis of cultural and economic differences. Canada would do well to include a broad cross-section of Canadians, including representatives of non-government human rights organizations, in its delegation to Vienna.

These NGOs have a deep sense of the need for progress in global human rights. Canada can use that kind of wisdom at the table.

* * *

THE DEFICIT

Mr. David Berger (Saint-Henri—Westmount): Madam Speaker, recently the Minister for National Defence, who is a leadership candidate for her party, said that not only would she cut the federal deficit but she would balance the books by the end of a first term. The Minister of the Environment weighed in by saying that he would cut the deficit without raising taxes or cutting social programs.

Canadians should be a teeny bit sceptical about the simplistic Tory approach to deficit cutting. The Conservative record speaks for itself. In his first budget the then Minister of Finance, the current Minister for International Trade, said he would reduce the deficit to $18 billion by the end of the decade. Yet in 1990 the deficit was $30.5 billion. He missed the mark by the small sum of $12.5 billion. Of course, the deficit has increased since then.

The Minister of National Defence should not assume that Canadians cannot add. One does not cut the deficit by spending $5.8 billion on attack helicopters.

If Canadians want a realistic approach to deficit reduction they would be well advised to vote Liberal.

* * *

OIL AND GAS INDUSTRY

Mr. Brian O'Kurley (Elk Island): Madam Speaker, during the past six months western Canadian oil and gas exploration and development activities have been showing signs of improvement. There have been increases in land sales, in the number of well licences issued, and in the level of drilling activity.

There are a number of reasons for these increases, including the industry's cost reduction initiatives, technology improvements, higher natural gas prices, the governments' efforts to provide a market-oriented environment and a stable, non-discriminatory framework for private sector decision making.

An example of this co-operative approach is the recent announcement made in Devon to support the development of Alberta's oil sands and the heavy oil resources of Alberta and Saskatchewan.

The Canadian industry is benefiting from federal government initiatives such as the flow-through share provisions, the elimination of the restrictions on foreign ownership and the Alberta government royalty change. These initiatives contribute to western Canada's economic growth and job creation and will result in spin-offs for the Canadian manufacturing and service industries.

SEXUAL ABUSE

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, members of the government from the Prime Minister on down have made much of their policy of zero tolerance for sexual abuse and sexual assault. Far too often, however, their words do not match their actions.

In an article in today's *Ottawa Citizen* Transport Canada is reported to be considering granting one year's leave so that a convicted child molester can serve his sentence and then return to his job. What kind of zero tolerance message is that?

Zero tolerance means that those convicted of violence against women, no matter if the woman is 13 or 30, must not be allowed to take advantage of work place policies such as leave of absence. That a convicted abuser could see his job held open for him is unacceptable. What is needed from this government is action, not more pious rhetoric.

* * *

EMPLOYMENT

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, in 1988 the government approved an expenditure of up to $40 million of Canadian Jobs Strategy funds for youth strategy pilot projects in New Brunswick and Newfoundland, where youth unemployment is the highest.

This morning in Fredericton the Minister of Employment and Immigration and the New Brunswick minister of advanced education and labour jointly announced a one-year $25.45 million extension to the Canada-New Brunswick youth strategy. To date, this strategy has assisted over 17,700 young people in New Brunswick.

• (1115)

I was pleased to learn that this program has been extended for another year. The federal government will provide $16 million, with the province contributing $9.45 million.

The purpose of the strategy is to help at-risk youth integrate into the labour market. It is important that we give young people the opportunity to acquire the education, training and experience needed to find their own place in today's competitive work place.

This Tory government has again put its money where its mouth is.

* * *

TAXATION

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, following this week's meeting between the Minister of Public Works and representatives from the Federation of Canadian Municipalities regarding payments of grants in lieu of taxes, the government should accept two important principles. First, the federal government should pay its fair share of municipal taxes as established for its properties.

Second, the government should accept all of the municipalities' reassessment levels for all properties, be they residential, business or government. In doing so the government will not prove to be a burden on other municipal taxpayers.

One of the mayors, Claudette Cain of the city of Gloucester in my riding, pointed out to the minister that her municipality stands to lose nearly $2 million in revenues from federal properties, creating an unfair burden on other taxpayers.

The Conservative government should accept fair market value assessment and pay its fair share of taxes on its properties.

* * *

NEW DEMOCRATIC PARTY

Mr. Howard Crosby (Halifax West): Madam Speaker, there are hard times ahead for the New Democratic Party and their friends in the trade union movement. Where are Bob White and Daryl Bean when you need them?

What is happening? Bob Rae is going to roll back Public Service wages. He is not talking about Maurice Strong and $250,000. He is talking about hospital workers, domestics and the like.

Whatever happened to that great socialist philosophy? Where are those people who paraded against central wage freezes? Let us hear them holler: "No rollbacks for Ontario workers".

ORAL QUESTION PERIOD

[*English*]

NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, in the absence of the minister of trade I will put my question to the Deputy Prime Minister.

The government has a major dilemma on its hands. Today the Mexican ambassador to Canada has said that Mexico will not accept any side deal that imposes environmental or labour standards upon Mexico.

At the same time, the trade representative in the United States says on the other hand there will be no NAFTA unless there are safeguards on the environment and on labour standards. These are two totally opposite, contradictory positions.

I want to ask this question: Where does the Government of Canada stand? Is it on the Mexican side or the American side? Does it have any position at all? Why does it not stop the legislation until it resolves this dilemma?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member asks where Canada stands on this. Canada stands on the side of sovereignty. We stand on the side of commissions that work and commissions that reach co-operation among the three sides.

What the ambassador said was really quite reasonable. Both ambassadors are essentially saying the same thing. The Mexican ambassador is saying that they do not want commissions that violate sovereignty. The American ambassador agrees with that and so do we.

What we would like to see is progress on the environmental side and progress on the labour standard side without violating sovereignty.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, I can understand why this minister decided not to run for the leadership. That was the most foolish answer I have heard in the House of Commons in the last 14 years. He says that on the one hand we have a commission, but on the other hand the commission will do absolutely nothing. You either have a commission that has safeguards which the Americans want or you have a commission with no teeth which is what the Mexicans want.

Where does Canada stand? When is this minister going to smarten up and give Canadians the right and honest answer?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, every year I have been in the House, my hon. friend, stands up and expresses great concern for Canadian sovereignty. This is what he does all the time. Now he is calling for a commission to be established which would not protect Canadian sovereignty.

An hon. member: It would violate it.

Mr. Hockin: It would violate Canadian sovereignty. What we believe in is to find a way, which we have done in many, many other international contexts. The hon. member is very well informed on international contexts. You can have commissions, you can have supernational bodies that do not violate sovereignty and that is what we are after. We are after co-operation and we are after progress.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, this answer comes from a representative of the government that has had a fundamental policy of giving up Canadian sovereignty day in and day out for the last eight and a half years.

• (1120)

I want to ask the minister again, what is the Canadian position? Are we asking for a commission that will have the ability to enforce some real safeguards on the environment and labour so Canadian industry will not run out of this country and seek an arena where it does not have to live up to basic fundamental laws, or are we going to side with the Americans and say we need decent safeguards?

I ask the minister, for goodness sake, for the sake of some basics fundamentals of parliamentary democracy will the government stop this legislation, hold it up until this fundamental impasse can be resolved?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member is trying to create an image of fundamental impasse. In fact there is no fundamental impasse. What we have is all three countries with their own laws on these subjects, environmental protection, labour codes, and so on.

We are trying to encourage all countries when they trade with each other in the new NAFTA—I am glad the hon. member likes the over-all content of the NAFTA; that is an impressive step forward from his point of view—to move forward together without violating sovereignty.

Mr. Jim Peterson (Willowdale): Madam Speaker, over the past few years we have seen an unprecedented level of U.S. trade harassment of Canadian producers; automobiles, steel, pork, softwood, magnesium, and the list goes on.

This is poisoning the investment climate in Canada. The problem is this. The United States is not going to sign a new trade deal without having side agreements on the environment and labour standards. Why will Canada not stand up for its workers and industries and insist on a side agreement dealing with the definition of subsidies?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, my hon. friend expresses concern in the premise to his question about investment in Canada and about trade disputes.

First of all investment in Canada is running at a record pace. In 1988 with a $2.5 billion deficit in investment in Canada more Canadians were investing outside Canada than people were here. We had a surplus at the end of 1991 of over $4.3 billion, a tremendous turnaround in investment, a $7 billion turnaround.

When it comes to harassment all we read in the newspapers is the tip of the iceberg, only when we have disputes with the United States. Before we had dispute settlement mechanisms with the United States we were left to the whim of the U.S. protectionist operations in Washington. We would spend millions of dollars and get nowhere. Now we have binational panels that settle within 315 days and we have won more often than we have lost.

Mr. Jim Peterson (Willowdale): Madam Speaker, the facts are very clear. Over the last four years Canada has lost 16 per cent of its manufacturing jobs. The United States has lost only 6 per cent of its manufacturing jobs. Where are our jobs going?

If this minister thinks his dispute settlement mechanisms are working so well why did Robert Milbourne, the president and chief executive officer of Stelco, just say that Canada's steel industry is toast unless this government can end U.S. trade harassment of our steel industry.

Why will this government not use its power to sit down with the Americans and Mexicans and insist on a side deal that will end the trade harassment of Canada's steel industry?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, the facts are these on the steel side. Both countries have had tremendous decreases in steel production, Canada as well as the United States. Canada's share of the U.S. market since the trade agreement has grown.

Even with that we have argued we would like to see if we could have a separate binational agreement on steel.

I would like to thank my hon. friend for asking this question because the Minister for International Trade will be meeting with the U.S. trade representative, Mickey Kantor, on April 1 and the steel issue will be raised at that meeting because we are working to obtain a steel pact with the United States.

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, coincidentally my question is on the same line of questioning *vis-à-vis* the United States and subsidies disputes. The United States has just confirmed it is allocating $1 billion this year to its export enhancement program that permits the government of the United States to pay subsidies to grain sales offshore by the United States. Not once has the Canadian government raised this and demanded a panel under the much vaunted FTA.

• (1125)

I ask the minister concerned: When will this government which boasts about this trade turnaround stand up and demand that the Americans stop their program of export enhancement, unfair competition and offshore sales of wheat and other grain products here from Canada?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member knows because he is informed on trade matters that disciplines in agriculture have not been put in place appropriately under GATT. We have made some progress under the FTA but nobody believes that total discipline is in place on all ranges of agriculture, especially grain export subsidization.

What he is now saying, which is really news, is he wants us to use the dispute settlement mechanism panels for this. Now he likes the free trade agreement and likes the dispute settlement mechanism panels.

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, as the hon. minister knows he is mixing oranges with wheat, not apples.

The minister wants to retreat to GATT when he tries to defend the fact that there are no teeth in the agreement between Canada and the United States known as the FTA to protect the farmers from massive American subsidies. There is no protection there whatsoever.

I want to address the minister directly. He knows that under NAFTA they will be dismantling the minimal protection this government boasts about provided to the farmers under section 701(4) of the free trade agreement. As a matter of fact it will weaken what they boast about, those so much vaunted panels.

Why is this government not standing up for Canadian farmers? Why is it accepting a weakened article 701 in NAFTA and not saying a word in defence of those grain farmers in the Canadian west?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, I have to ask my hon. friend, why are our exports in the wheat area up 30 per cent to the United States? I have to ask my hon. friend, has he read the results of the durum wheat panel that was dealt with by a binational panel with the United States? Is my hon. friend aware of what this government has done for agriculture in the last eight years, billions and billions of dollars a year?

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, my supplementary question to the minister deals with another area of agriculture production, the asparagus industry in Ontario which has been almost destroyed by free trade according to this letter it wrote to the Minister of Agriculture just this month. In fact the chairman of the industry also told me today that he cannot see why we are pressing ahead with NAFTA when the problems like theirs with free trade have been ignored.

Will this government meet urgently with the asparagus industry to work out solid answers to these farmers' problems, especially since asparagus has been one of the substitute crops for tobacco which is considered to be such a dangerous crop to produce in this country? Help the asparagus farmers in southern Ontario. They come from your district.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, to the hon. member, the federal government has always worked with producers of all of the various commodities and special crops such as asparagus. We will continue to do that and consultation will take place with the producers of asparagus and other crops, as I have said before.

Everybody seems to think that the North American free trade agreement is the answer to everything. A GATT agreement is very important as well. One piece of legislation cannot deal with all problems.

Some hon. members: Oh, oh.

Mr. Cardiff: We have been very successful with many of our trade disputes with the United States through the panel. We solved the pork issue. We have won most of the assessments that have been put against us. I think we should take credit for that and be very proud of all the negotiations that have taken place and how this government has responded to the needs of farmers.

* * *

• (1130)

HELICOPTER PROGRAM

Hon. William Rompkey (Labrador): My question, Madam Speaker, is for the Minister of Finance. Circumstances have changed dramatically in the world, both in terms of finances and in terms of security since the decision was taken to purchase the EH-101 helicopter.

In view of the dramatic change in circumstances, is the Minister of Finance now personally committed to the continuation of that decision? Is he now personally committed to the purchase of the EH-101 helicopter?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Yes, Madam Speaker.

Hon. William Rompkey (Labrador): Madam Speaker, I want to ask the minister a question in view of that answer and in view of the fact that he wants to send a signal to the world that Canada's finances are sound and that international investments are secure. In view of the ballooning federal deficit, how does he justify the signal that is sent to the international community by the purchase of EH-101 helicopters at a cost of $5.8 billion?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, first, the cost is $4.4 billion over 13 years or 14 years. We want to send a signal to the world that we are prepared to patrol our coastal waters, to enforce the laws of Canada, to protect our sovereignty, to engage in effective search and rescue, and to engage in peacekeeping missions.

Yes, there is a price we have to pay to be a part of it. We have to pay to defend our own security. If we are to have an armed forces of capable and reliable men and women we need capable and reliable equipment for these men and women to use.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, my question is for the Deputy Prime Minister.

Yesterday the Minister of National Defence said there were ways of cutting defence expenditures other than cancelling the EH-101 helicopter program. Would the minister share with the House where these cuts will be made?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I certainly will when I bring down my budget. I obviously will not get any advice from the members opposite.

They want to put our men and women out servicing Canada's needs in 35-year old helicopters. I think that is a disgrace, particularly coming from that hon. member. He should know better. I am sure we will not see him driving around in a 35-year old automobile.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, my supplementary question is for the same minister who talks about advice. If we are going to talk about advice I think we should be balanced on it.

As early as three years ago the same committee that the government quotes in support of the EH-101 program had problems specifically with that program. I am going to quote from the same area that the government uses in support: "The committee views with concern the delays in the new shipboard aircraft project caused by technical problems during the development phase in Europe and difficulties in assembling the consortium".

These problems still exist; in fact they have been exacerbated. In view of that does the minister still consider that government priorities are in this area?

Mr. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, as the hon. member pointed out the committee was concerned, as was the government, in bringing it together but as he knows the consortium did come together and we agree with the unanimous recommendation of that committee to proceed with the EH-101.

I thought the hon. member would take some comfort from the fact that the Dutch have just announced they are looking at the EH-101 for their frigates.

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TRADE

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, on March 12 the minister for privatization and Tory rhetoric in reply to my question on water exports and free trade confirmed that article 401 of the North American free trade agreement applied to water. I could not believe my ears.

I had to go back and read *Hansard*, and this is what it said: "In this section water means natural surface water and ground water and liquid in gaseous and solid state".

I would like to ask whoever is going to answer for the minister whether the minister would agree that the inclusion of water under article 401 as a good or a commodity of trade, as was confirmed by the minister for privatization, places the export of Canada's fresh waters under the remaining provisions of the North American free trade agreement, and the FTA for that matter, even though water may not be explicitly mentioned in these other provisions?

• (1135)

Hon. Bill McKnight (Minister of Energy, Mines and Resources): Madam Speaker, I believe the hon. member is mistaken in quoting what a colleague on this side had said. I will be very slow and very cautious so that he cannot do that again.

Water in its natural state is not a product or a good capable of being traded. Any more than the trees in the ground or the oil in the sub-surface, water in its natural state is not covered under international trade agreements such as NAFTA. It cannot be covered under international trade agreements because it is not a good and cannot therefore be traded.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, the minister has just refuted his colleague's comments of March 12.

This government continues to hide behind the argument that Canada's water policy and the implementing legislation for free trade in fact excludes water. That is what this minister is referring to.

This government knows full well, first, that the water policy is a paper tiger and, second, that international agreements such as the FTA and NAFTA supersede domestic legislation.

I want to ask this government: When are you guys going to come clean and stop lying to the Canadian people?

Hon. Bill McKnight (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member uses words that would not be accepted in most cases but I understand why. It is because his argument is so weak. Water is not a good. Water cannot be traded and just article 7 would maybe give the member some comfort. It says: "For greater certainty nothing in this act or agreement, except article 302 of this agreement, applies to water".

Some hon. members: Oh, oh.

Mr. McKnight: Let my tell the hon. member what article 302 is.

Mr. MacWilliam: You said article 401.

Mr. McKnight: Let the record show that I said 302. Now the member knows that water in that article is bottled water. In my riding and in my province the member for Yorkton—Melville supports the export of bottled water because there is an active, very viable commercial opportunity throughout Canada in bottled water sales.

Mr. MacWilliam: You are lying.

Mr. McKnight: Madam Speaker, privilege. The hon. member said that I was lying. That is not acceptable language.

Some hon. members: Withdraw.

Mr. Andre: Nystrom, get him to withdraw.

Mr. Benjamin: After Question Period.

Madam Deputy Speaker: Such accusations have no place in the House of Commons.

Some hon. members: Hear, hear.

Madam Deputy Speaker: I would like the hon. member to withdraw now, please.

Mr. MacWilliam: Madam Speaker, the comment I just made in reference to this government will be withdrawn.

Mr. Gauthier: Just withdraw it.

Mr. MacWilliam: I understand that this government, in fact most members of this government, may not have read those very provisions. If one is not—

Madam Deputy Speaker: The hon. member will please withdraw his comment unconditionally and now.

Mr. MacWilliam: Madam Speaker, I just did withdraw the comments. I said that it may be simply a misunderstanding.

Madam Deputy Speaker: Thank you. Withdrawn.

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STUDENT LOANS

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, my question is for the Minister of Finance.

Young men and women with no jobs and therefore unable to pay their student loans are being harassed at this very time by collection agencies that are trying to renew their contracts. They are being harassed at home, in the work place, at social events, at all times of the day. Why is the government refusing to step in and help these young Canadians in their time of need?

• (1140)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, that is precisely what we are trying to do and that is precisely what the Secretary of State is trying to do in working out a new arrangement with the lending institutions.

The hon. member is quite right. There have been abnormally high levels of student loans that have been in arrears. In large part it is caused by the arrangements currently in place with the financial institutions.

It is with that in mind that we are trying to change the system. There have been proposals that have been presented to the minister. She is currently examining those. I can assure the hon. member that we will take his representation into consideration.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, my supplementary question is for the same minister. Part of the problem is that there are no jobs. They cannot pay them back when they have no money.

[*Translation*]

One constituent in my riding, a young mother with three children, can't pay back her student loan because she couldn't get a job. She might lose her child tax credit, because she was told she could lose it as well as her income tax refund. Meanwhile, she is being harassed by a collection agency. Why does the government allow this unfair harassment of a woman and her family?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I genuinely appreciate the hon. member's emotion attached to this question. It is a serious question and I want to treat it in a serious fashion.

He should realize there is a provision under the current arrangement and there will be a provision under the future arrangement. Where there are difficulties experienced by a student there are provisions for that to be taken into account. The necessary flexibility and accommodation to help students in that regard are clearly defined there.

I would ask the hon. member to look at that to see whether those provisions would be helpful.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, my question is for the Minister of Finance.

Members of the post-secondary education community, in particular the National Advisory Group on Student Financial Assistance, were kept in the dark regarding the government proposals outlined in the request for financing the Canada Student Loans Program.

Why has the minister not consulted with them? As well, will the minister give his assurance in the House today that he will call on, consult with, listen to and implement the recommendations of the student representatives on this issue?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I indicated in the House yesterday, the former minister did consult with not only the Canadian Federation of Students but also the Association of Universities and Colleges of Canada and outlined in a general way what was being proposed.

I am sure the hon. member recognizes, because of the commercial nature of these particular negotiations, one has to take that into consideration but I have been assured by the current minister that she will take representations into consideration.

What we are trying to do is improve the system. His colleague just indicated there were some deficiencies in the system. What we are trying to do is improve the system so that students will have access at reasonable cost and at reasonable cost to the taxpayer.

[*Translation*]

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I would like to know what steps the minister intends to take to ensure that the banks do not reject physically handicaped people or who, because of their age, would be less likely to find a job. What does the minister intend to do to ensure that Canadian students are treated fairly?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think I answered that question. That is currently what the minister is trying to do.

She has asked for proposals. The proposals are in. They are currently being re-evaluated. Our goal is to try to ensure there is adequate access for student loans to the students at a reasonable cost, fair and equitable access at a reasonable return, a fair return to the financial leading institutions with a certain amount of necessary accountability for service in those accounts, and at reasonable cost to the taxpayer.

• (1145)

I assure the hon. member that we take this issue as seriously as he poses the question.

* * *

PUBLIC WORKS

Mr. Bill Casey (Cumberland—Colchester): Madam Speaker, my question is for the Deputy Prime Minister.

An essential part of the transportation network in Atlantic Canada is the fixed link, not only as a transportation link, but as a competitiveness tool for Atlantic Canada. The federal government has always consistently supported the fixed link project.

Is the federal government still totally committed to the project and will it take the appropriate measures to meet the two requirements outlined in the recent court case and proceed with the project?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, yes, the government has been committed to this project and is committed to the project. I so indicated in the December statement. Nothing has changed, except the fact that we do have a decision of the Federal Court which has to be taken into consideration.

That is what the Minister of Public Works is currently doing, to see if there is a way in which this project can go ahead. However, I remind the hon. member that the Federal Court decision has to clearly be taken into consideration and dealt with in an appropriate fashion.

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OIL AND GAS INDUSTRY

Mr. Brian O'Kurley (Elk Island): Madam Speaker, my question is for the minister of energy.

Recent statements have alluded to the economic viability of the oil and gas industry in western Canada. The recent signing of the Hibernia agreements with Murphy Oil and the federal government will prove vital to the Atlantic provinces' state of economic stability in the energy sector.

Can the minister advise this House of the current situation in western Canada and what the government's expectations are for the future prosperity of this industry?

Hon. Bill McKnight (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member recognizes the importance of the industry in western Canada and in Canada and he is accurate in his assumptions on Hibernia.

I can inform the hon. member that activity, including bids for leases, has increased in the sedimentary basin in western Canada. I should also inform him the number of licensed wells has doubled, I believe, to 1,780 from 780 last year. I should also inform him that the increase in activity by rigs has increased 60 per cent this year over last year.

The reinvestment from cash flow will be over $5 billion this year. That is almost a 5 per cent increase in reinvestment over last year, but it is in the historic trend. Therefore, there is increased economic activity.

It is a good sign for the oil-producing part of western Canada. It is a good sign for Canada. The provincial governments and the Government of Canada should be complimented, along with the industry for the faith they have shown and the actions they have taken together to cause this increased activity.

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WESTERN GRAIN TRANSPORTATION

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, recently the Deputy Prime Minister made an announcement that his government was going to introduce enabling legislation to allow it to make any changes it wanted to the Crow benefit without further consultation with this House.

I would like to ask the Deputy Prime Minister when such legislation is going to be introduced. More important, why is he introducing enabling legislation? Why not a bill, a more substantive bill, that outlines exactly what his government plans to do with the Crow benefit?

It would be nice to have an opportunity to have a real discussion on an issue for a change around here.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member's assertion is totally inaccurate and grossly misrepresented.

The Minister of Agriculture responded to those questions and he is attempting to seek out a national solution involving all parties having an interest in this subject. That consultation process is ongoing and will continue.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, it was this minister who indicated in a news release that the government was going to introduce enabling legislation to make changes to the Crow benefit. As far as complication is concerned, the Crow is already in an unhealthy state. It has been made that way by the wounds inflicted upon it by a lame duck government in its death throes. Now the government wants members of this House to give it the right to declare open season on what is left of the Crow benefit and all that without any real consultation with the producers in western Canada or with this House.

Why does the minister not show some real courage, show some real guts and have some real consultation with the people of western Canada? Make it an issue in the election and let the people decide then.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, in order to set the record straight, this is exactly what was said in the backgrounder on the Western Grain Transportation Act:

• (1150)

"With respect to the method of payment of the Crow benefit under the Western Grain Transportation Act, ministers agreed to continue the present process aimed at finding a national solution through a whole farm income approach of the Net Income Stabilization Act type. That involves all producers in all regions of the country and will involve all governments".

That process has been ongoing, headed by the Minister of Agriculture, and that will continue.

GOVERNMENT APPOINTMENTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, my question is for the Deputy Prime Minister.

In 1984 the present Prime Minister said that political appointments by a Prime Minister who was on the verge of leaving public office were wrong and that "Canadians should not be made to pay the price".

How then can the Deputy Prime Minister on behalf of the government in good conscience have appointed the Tory election chair of Alberta and the vice-president of the Conservative Party for the prairies a full month after the Prime Minister announced his resignation? Why did the government change its mind and betray the confidence of the people of Canada?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Is it not strange, Madam Speaker, that the hon. member for Glengarry—Prescott— Russell did not get up last week and complain about Mr. Jean-Claude Rivest, a Liberal who was appointed to the Senate last week. I did not hear the hon. member get up and complain.

The Senate exists. He knows that the Prime Minister and indeed everybody in this House campaigned vigorously for an elected Senate. That, in fact, did not come about. The Senate is there, it exists.

The hon. member should show his appreciation of the fact that these last four appointments in particular, but all of those previous to that as well, are outstanding Canadians. They will do an outstanding job.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, the minister just does not get it. The Minister of National Defence yesterday was reported as saying that the Prime Minister should not fill Senate seats before the next election. For once we agree with the Minister of National Defence, not with the minister across the way.

Why then, does the Deputy Prime Minister not take the advice of the Minister of National Defence? Why does he not stand in this place now and announce that there will be no further appointments?

You, sir, have the option.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, just to set the record straight, which one often has to do after that member speaks, the Minister of National Defence said yesterday and I quote: "The Senate is a reality; you have to deal with it". That is what the Prime Minister did. He appointed two outstanding Canadians.

I can assure you that none of his appointments will be running around with kazoos and cowbells and generally behaving the way some of the hon. member's friends in the other chamber have behaved.

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VIETNAM

Mr. Jim Karygiannis (Scarborough—Agincourt): Madam Speaker, in light of well-documented cases of human rights abuses that have been perpetrated by the communist government in Vietnam, I would like to ask the minister of external affairs if she is aware of the fact that two Canadians and 14 American citizens are being held incommunicado by the Vietnamese government on what may or may not be legitimate charges.

I would like to know what steps the minister has taken with the Vietnamese government to assure the security of the two Canadians held there.

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, I am aware of the case involving the two Canadians and the others. They are allegedly being detained in Vietnam. We do not have the details. Our consular officials have approached the Vietnamese government to say that we expect that their human rights will be looked after, that we will have full access to them as consular assistance is required, and that they will have full human rights in terms of what is to follow.

Mr. Jim Karygiannis (Scarborough—Agincourt): Madam Speaker, the families of these individuals in Canada must know what is happening to their loved ones. I am asking the minister what immediate steps she will take to ensure the safe return of these Canadian citizens.

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, we do no yet know what charges have been laid against these Canadians. We have been in touch with the Vietnamese authorities. We are doing everything we can and we will be in touch with the families.

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PEACEKEEPING

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, my question is for the Secretary of State for External Affairs.

On Wednesday two peacekeepers were wounded in Bosnia and yesterday a second Canadian peacekeeper was killed. I would like to express on behalf of all members our deep sympathy to the family of Master Corporal John Ternapolski.

• (1155)

I would like to ask the minister if she can explain the circumstances of Corporal Ternapolski's death.

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, I want to, on behalf of our government also join with the hon. member in expressing our sympathy to the family.

An investigation is underway in the department of defence. We do not have a great many details yet, but it looks as though it was a simple case of an accident with the vehicle. There were three people in the vehicle; two were unharmed and unfortunately, the corporal was killed. There did not appear to be hostilities in the region. The Department of National Defence will do a full investigation. I have asked for a complete report as soon as possible.

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, a supplementary to the same minister.

The UN commission to investigate war crimes in Bosnia and Croatia cannot operate with "absolute peanuts", according to Canadian Commissioner Commander William Fenrick.

What efforts is Canada making and what is the minister doing to assure that this commission has adequate funds to do its important job?

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, first of all, we did offer the services of Commander Fenrick, so we are already providing some of the human resources that are required for the war crimes tribunal. We will be urging other countries to make resources available. We will also look at what will be required as this idea moves forward.

This was essentially a Canadian initiative as we raised it in London and then again in Stockholm in December. I am very pleased that the United Nations has now taken up the cause of this war crimes prosecution that I think we should follow in the future.

We will be urging the United Nations to adopt the kind of rules that are required and we will urge member nations and the UN to put the resources that are necessary into this. We are already putting our own resources into it by providing some of the people required and by helping to sponsor the conference in Vancouver.

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EXTERNAL AID

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, my question is for the Secretary of State for External Affairs. Some time ago the minister stated publicly that there would be an opportunity for Canadians to get involved in the debate on a shift in foreign aid from humanitarian aid to Third World countries to a more economic aid package to the emerging countries in eastern Europe and Russia.

In view of the pending budget which might freeze things in stone and not give an opportunity for that debate, what forum is the minister going to provide for a lot of interested Canadians to have their views made known?

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, there are a couple of levels of discussion going on.

At the moment, we are looking at our over-all aid package from a number of points of view. First of all there is more aid today than there was in 1984. On balance, aid has increased. There have been some cuts as a result of earlier budgets. We are looking specifically within the framework we have today, "Sharing Our Future", on how that aid will be dispersed. We are also examining not just the changes in central and eastern Europe, but whether our aid to Third World countries should have some changes made to it.

The fundamental issue is that there are some success stories in aid. Some Latin American countries, for example, that used to be aid recipients now are more trading partners. We are looking at that kind of issue in terms of how to focus our aid program a little better in current times.

My colleague, the Minister for External Relations, and I are working closely on all aspects of our aid program. We will be appearing before committee. There will be the normal consultations with the NGO community and others once we have approved the document.

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TRADE

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, my question is for the Deputy Prime Minister.

Earlier in Question Period the Deputy Prime Minister will recall his colleague made reference to the fact that the Minister for International Trade, on April 1, will be making arrangements with U.S. officials with regard to a steel pact.

• (1200)

The Deputy Prime Minister and Minister of Finance comes from a region of the country where he understands or ought to understand the importance of subsidies and the role they play in the Canadian economy.

I want to ask the Deputy Prime Minister on behalf of the Government of Canada: Why is the government, and in particular the Minister for International Trade, so grossly negligent in not negotiating a comprehensive plan or package with regard to a subsidies code? Why are they not pursuing that track in their negotiations with the U.S. counterparts?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, this is one of the oldest questions that can possibly be asked in the House. This has been asked for six months and the answer is the same.

A very good subsidies code has been negotiated through GATT. We support what has been put together there. We are hopeful that the Americans and the Mexicans will support it.

Routine Proceedings

MULTICULTURALISM

Hon. Alan Redway (Don Valley East): Madam Speaker, my question is for the Minister of Multiculturalism and Citizenship who knows that in November 1990 the Prime Minister announced that he would be making a formal apology in the House of Commons to Canadians of Chinese origin in connection with the head tax and the Exclusion Act, and to Canadians of Ukrainian origin and of Italian origin in connection with their wartime internment. At the same time he asked the Minister of Multiculturalism and Citizenship to finalize the details.

Can the minister assure the House that he will have finalized all the details in connection with that apology well before the Prime Minister leaves office on July 1?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Madam Speaker, indeed I can assure the member that after a very intensive and thorough consultation which I carried on with individuals and community representatives of the affected communities I did issue a report. I provided a full report which the government is now considering. I hope too that the matter can be resolved at a very early date.

One of the people I met who does not always support this political formation told me he thought it was essential that something happen now, in this current mandate. A result was the very positive response we were able to give, and justly so, to Canadians of Japanese origin. I know the Prime Minister has been very clear on what he would like to do. I am certainly looking forward to being able to participate in that.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 10 petitions.

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

PETITIONS

PROTECTION FOR UNBORN CHILD

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I wish to present a petition signed by a number of residents of Pembroke and Petawawa, areas that have much in common, who humbly pray and call upon Parliament to pass legislation to protect the unborn child.

[*English*]

IMMIGRATION ACT

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, I have three petitions to present on different subjects. One is a petition from a number of Chinese Canadians in my riding of Vancouver East.

It concerns the impact of the Immigration Act, Bill C–86, and particularly the provisions that allow decisions to be made retroactively. The petitioners urge the government to withdraw these amendments.

• (1205)

FREE TRADE

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, my second petition concerns NAFTA. The petitioners say that the proposed NAFTA has resulted in even greater trade concessions being demanded of Canada. They say that more jobs will be lost and there will be further restrictions on our government's ability to be effective. Also the North American trade deal cannot be remedied through renegotiation.

The petitioners call on the House to reject the NAFTA.

CHINESE CANADIANS

Ms. Margaret Mitchell (Vancouver East): My final petition, Madam Speaker, is a lengthy one so I will just refer to certain sections of it, if my colleagues will allow me to do so.

It is from a great number of Vancouver residents, particularly residents of the Chinese community. It concerns the very unjust and racist law that established the Chinese head tax and was followed by the exclusion act under which people had to pay $100 to come to Canada because they were Chinese. This had a tremendous impact, and to this day has an impact, on the Chinese community.

The petitioners call upon the Canadian government to support an all-party resolution that would acknowledge this injustice, including redress for the payers of the head tax and the community.

FREE TRADE

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, under Standing Order 36, it is my honour and pleasure to present a petition from a number of residents of Etobicoke, Burlington, Oakville, Hamilton, Milton, Stoney Creek, Woodbridge, Dundas and Scotland, Ontario.

All these people wish to draw to the attention of the House that the North American free trade agreement has brought about even greater trade concessions by Canada or demanded of Canada, to our disadvantage, which will cause more loss of good jobs and will hinder the Canadian government from protecting our environment and conserving Canadian natural resources.

The petitioners also point out that it cannot be remedied through renegotiation and that there is an election coming, due before January 1, on which date the North American free trade agreement is scheduled to come into force. Therefore they now call on this House to reject the North American free trade agreement and recommend to the government that it use the termination clause to end the Canada–U.S. Free Trade Agreement.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I too have a series of petitions from various parts of southern Ontario concerning the North American free trade agreement.

The people who have sent these petitions to us are all deeply concerned about the fact that this agreement will cause Canadians to lose more jobs and that it will result in further restrictions on the ability of our governments now and in the future to assist Canadian industry, conserve Canadian natural resources and advance needed social programs.

The people are convinced that this agreement cannot be remedied through renegotiation. They call upon the House to reject the proposed NAFTA accord and to recommend to the government that it use the termination clause to end the Canada–U.S. Free Trade Agreement.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I rise with duty and with pleasure to present a petition to this House from a number of residents in southern Saskatchewan.

The petitioners say that the undersigned residents of Canada draw to the attention of the House the following. The proposed North American free trade agreement has resulted in even greater trade concessions being demanded of Canada. This agreement will cause Canadians to lose more jobs. If implemented this trade agreement will result in further restrictions being placed on the ability of Canada's federal, provincial and territorial governments now and in the future from assisting Canadian industry, conserving Canadian natural resources for Canadian benefit and advancing needed social programs. The North American free trade agreement cannot be remedied through renegotiation. Canada's Constitution requires a general election before January 1, 1994, the date on which the North American free trade agreement is scheduled to come into force.

• (1210)

Therefore they call upon this House to reject the proposed North American free trade agreement and to recommend to the government that it use the termination clause to end the U.S.–Canada Free Trade Agreement.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, question No. 451 will be answered today.

[*Text*]

Question No. 451—**Mr. MacWilliam:**

With respect to the RCMP, (a) were any measures taken to promote attitudinal and behavioural change among male officers toward women, specifically with respect to issues of sexual harassment, gender inequities and violence against women and, if so, what are they (b) have any affirmative action programs been implemented and, if so, what are they?

Hon. Doug Lewis (Solicitor General of Canada): (a) The community policing branch of the Royal Canadian Mounted Police (RCMP) recently published and distributed a family violence pamphlet relative to spousal assault. This pamphlet was designed to educate the general public as well as employees of the force to the issue of assaults against women in abusive relationships. It also provides a brief history of the problem and an outline of current laws designed to help and protect victims. It goes on to provide advice to victims as well as advice to anyone who might know a victim of spousal assault.

All contract divisions of the RCMP are at various stages of setting up police based victims services units usually staffed by a full time supervisor and volunteers from the community. These units provide assistance to all victims of crime, including women, and aid in the recovery from victimization related to criminal activity. These units also provide a listening ear and referrals to existing community services. After referral, a follow-up contact is made to ensure that sufficient and appropriate service has been provided. Where a community or court based victims' unit exists instead of a police based one, our detachments co-operate with these units by making referrals. Presently the force has approximately 100 police based units in existence with others coming on stream in the near future.

As part of its policing responsibilities, the RCMP has provided family violence training to its members since the early 1970s. Courses have been offered at the basic recruit level as well as at the regional in-service level.

Although no specific family violence course exists, many of the subjects related to family violence, such as sexual assaults, child abuse, and spousal assaults, have been taught as components of courses presented at both levels. In particular, the issue of sexual haraasment has been addressed in sessions of the Canadian Human Rights Act.

In addition, members of the force have participated in regional, inter-agency family violence workshops. Since 1988, 5,271 members have received training through this method.

The RCMP is participating in the federal family violence initiative, 91-95. Under this initiative our training programs have been reviewed in order to develop more comprehensive and innovative approaches to training in this area. Course development will address cultural and gender sensitivity issues.

As part of the interdepartmental response to incidents of family violence, the RCMP has promoted and conducted regional, inter-agency family violence workshops and will continue to do so throughout this initiative.

Upcoming activities include the development of scenarios for designing enhanced lecture materials, simulation training sessions and computer based, interactive training programs. These programs will reflect the force's commitment to providing policing services that are sensitive and responsive to the needs of victims and to Canada's diverse population generally.

In order to inform our membership of the RCMP's commitment toward cultural diversity and the law prohibiting discrimination on any ground, regardless of race, national or ethnic origin, colour, religion and gender, the RCMP has recently distributed a brochure to all members entitled "Policing in Canada, RCMP Principles and Commitments to Diversity". The booklet is also available to the general public.

An employment equity unit was established within the staffing and personnel branch of the RCMP in 1991. Two analyst positions were created for overseeing this function.

As a result of a joint review between the RCMP and the Canadian Human Rights Commission, the development of an employment equity policy, currently being edited for publication and ultimate distribution, states:

> The RCMP shall strive to change attitudes and behavioural patterns that have an adverse effect on the employment, career progression and attrition of members of designated groups.
>
> The RCMP shall implement special measures as outlined above to prevent, eliminate or redress disadvantages that hinder the representation of designated groups.
>
> The RCMP shall attempt to change behaviour that adversely affects participation of members of designated groups.

Under our human resource management plan for strategic issues, the following projects are in the works:

> Develop a strategy which will encourage or require force personnel at all levels to ensure that committees, working groups, specialized teams/sections, consultation groups, et cetera, have representative consideration for women and other target groups.

Develop communications to force membership which is conducive to the promotion of harmony and understanding of issues relative to managing the value of diversity within the force's membership.

Develop a strategy that will encourage appropriate and uniform discipline to founded complaints against force employees where prejudice, discrimination, racism or harassment is involved.

A sensitization video entitled "Strength in Diversity" was produced to help RCMP employees deal more effectively with designated group members, including women. The video illustrates physical and attitudinal barriers that may be experienced by these employees and suggests ways in which these obstacles may be eliminated. The video was distributed to over 700 RCMP detachments.

International Women's Week, which is held annually to reflect the progress made to advance women's equality, is promoted throughout the RCMP. Information is made available and presentations are given to employees on topics such as self-defense, sexual harassment and violence against women.

All senior managers were provided with copies of "Beneath the Veneer", the report of the task force on barriers to women in the Public Service. In addition the summary of the report was made available to line managers and employees through the RCMP newsletter. All levels of management have been encourged to take positive action to implement the task force recommendations.

Departmental harassment policies for both Public Service employees and RCMP members have recently been strengthened to better inform employees and investigative bodies of the guidelines that apply, should harassment occur in the work place. Both policies will be published in the very near future.

An employment equity program has been in place for the Public Service component of the RCMP since 1983. The recruitment, promotion and retention of women are monitored regularly. To ensure that women have opportunities to enhance their careers and broaden their experience, a number of initiatives and policies have been implemented, for example a career advancement course for women, an assignments for career enhancement program and a part-time employment policy.

(b) Over and above the aforementioned response to question (a) the RCMP is in the process of forming focus groups in the divisions to set up a networking system for female members.

In a continuing attempt to reduce imbalances and the under-representation of women within the RCMP, two special programs were sanctioned in 1988 and 1992. Under these initiatives 17 females members will have been promoted to the rank of corporal for instructor positions at the RCMP training academy by the end of 1993: 8 were processed from 1988 to 1991 and an additional 9 will be processed in 1993.

[*Translation*]

Mr. Langlois: I would ask that the remaining questions be allowed to stand.

Madam Deputy Speaker: The question as enumerated by the hon. parliamentary secretary has been answered. Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1993-94

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-117, an act to provide borrowing authority for the fiscal year beginning on April 1, 1993, be read the second time and referred to a legislative committee in the Economics envelope.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, we have a situation in front of the House of Commons today which is shameful and unacceptable. We have a government asking this House for permission to borrow over $31 billion on behalf of the people of Canada despite the fact that this government has not presented to the House of Commons a budget for this fiscal year that is coming up.

The minister has suggested in his comments this morning that what he is asking for is permission to borrow based on his economic statement of December 1992. In fact he has already put through a borrowing authority bill based on that particular economic statement which passed in this House just a month and a half ago.

There is absolutely no justification that we can see for a government to come before the House of Commons and present a demand to the House of Commons that it be given *carte blanche* to go out and borrow over $31 billion without telling the people of Canada why that money is necessary, or without giving them any sense of the fiscal parameters within which that borrowing will take place. It has done so without giving to the people of Canada any sense of what kinds of policy directions the government will take to try to deal with the massive unemployment problems we have in this country, to try to deal with what some people have called a debt crisis in this country, or to try to deal with problems of poverty in this country that are getting seriously worse. We have no suggestion from the government as to how it will proceed to put in order the finances of this country.

Let me go back to the budget of February 1992. This is a budget that was presented by this same minister to the House of Commons, the same House of Commons, less than 14 months ago. It was presented on February 25, 1992, 13 months ago almost to the day.

Let me remind the House what was suggested within that budget from 1992. It suggested first that the deficit for 1993–94, that is this coming fiscal year for which this borrowing authority is put before us, would be a deficit, and I quote from page 71 of the budget from last year, of $22.5 billion. That would be the deficit. The financial requirements that this government would need according to this budget presented just 13 months ago were $13.3 billion. Yet today the minister is bringing before us a borrowing authority for over $31 billion.

• (1215)

How can any member of this House of Commons react with any sense of responsibility to an outlandish demand for authority to borrow $31 billion when just 13 months ago this same minister was telling us he was only going to need to borrow $13.3 billion? How is it possible for anybody in the country to believe what this minister is telling us today?

Clearly there have been things that have changed but we do not know what those things are. We do not know what the government's projections are for 1993–94 because we have not received a budget yet for 1993–94 despite the fact this government promised it faithfully.

Michael Wilson was the finance minister of this country. He was somebody who—whatever criticisms I have made of him—at least knew something about economics and the market in this country. At that point the government promised there would be a budget presented each February so that provincial governments, private businesses, households and all of us as members of Parliament would have some sense of where we were heading and what the government saw in the future.

However, now we have a Minister of Finance who does not understand economics, does not understand the needs of the marketplace, does not understand the concerns of Canadians across the country with respect to the debt problems we face and does not understand the concerns of provinces and we do not have a budget.

It is almost the end of March. April 1 is next week and there is no budget. We are told there will not be a budget until April 21. Yet the government asks us: "Despite the fact we have not given you a budget, write us a blank cheque for more than $31 billion and a month from now we will let you know what it is for. A month from now we will let you know what the situation will be financially in Canada during the year for which we will already have received the authority to borrow this more than $31 billion". It is absolutely and totally irresponsible.

This government talks about fiscal responsibility. It talks a good fight. Right from the day it was elected in 1984 it said it was going to deal with the deficit and the financial problems facing this country.

Well, those problems are worse in 1993 than they were in 1984 because we now face a situation where we have a government presenting demands for borrowing authorities without even presenting a budget to us.

• (1220)

I do not see how anybody in this House of Commons who believes in financial responsibility could vote for a borrowing authority under these circumstances. I say this to the backbenchers of the Conservative Party: If hon. members in the Conservative Party expect to go out into an election later this year and to run in their various constituencies on the fact that they have tried to get the finances of Canada in order, how can they possibly do it when they passed a borrowing authority for over $31 billion without even having a budget to go with that borrowing authority?

I warn those members that the people of Canada will not buy that kind of irresponsibility. The people of Canada are not prepared to give away blank cheques any more. They want to know what is happening. They want to know why it is happening and this government is not giving any answers at this stage whatsoever.

The minister talked in his comments about a number of other points. I want to deal with some of those points. As I say, I think the major problem with the minister's presentation was his failure to offer any satisfactory justification for getting the right to borrow more than $31 billion without a budget.

He also talked about the federal government being prepared to offer leadership in dealing with the debt problems of this country. The fact is that there have been requests from provincial governments across this country for a First Ministers' meeting on debt in Canada and this government has refused those requests. This government has refused requests coming from provinces that are hard pressed and hard hit financially and need to have a first ministers' meeting on debt. This government has said no.

Again, the people of Canada must not accept that this government really seriously cares about debt. It is willing to play politics with debt but it will not come out and try to deal with the problem seriously in a first ministers' meeting.

This government suggested that its record was superb on dealing with debt and the deficit. In that case how can it explain one of the conclusions from the C. D. Howe Institute this past February when it held its now famous workshop on avoiding a crisis? These were the proceedings of a workshop on Canada's fiscal outlook. The workshop brought together some of the foremost authorities on debt and fiscal management in this country. How can it explain that one of the strongest criticisms made in the report of the proceedings of that workshop indicated that the workshop was: "critical of the government's fiscal performance, in particular its loose stance during the late 1980s". I am quoting from page 3 of the workshop's conclusions.

The government likes to get up and blame everything on the Liberals. I admit that sometimes that is easy to do or often easy to do because the Liberals left a sorry mess when they left office finally in 1984. However, the fact is that this government, the Conservative government, is being criticized by this C.D. Howe analysis. It is not the Liberal government of the time before 1984 because, let us face it, these guys may have done a bad job way back then but that is not the issue now. The issue now is what the Conservatives who have been in power for almost nine years have done.

• (1225)

The Conservatives have, according to this C.D. Howe analysis, clearly made a mess of things. They have created a fiscal situation by their irresponsibility in the late 1980s that has made the debt crisis in this country very much worse than it otherwise would have been.

There is no way the Minister of Finance, though he squirms and tries to cast the blame off onto somebody else, and this government can get out from under that criticism. There is no way it can escape from carrying the can for the fiscal problems we now face as a country.

The Conservatives try to blame the provinces. Listen to this government. In fact we heard it repeated today during Statements by Members. Somebody from the Conservative Party got up and said: "We have increased our transfers to the provinces". So when the provinces blame the federal government for transfers being cut back, somehow they are not being fair.

I want to quote from as neutral and disinterested a source as I could possibly find: the Dominion Bond Rating Service. This service has downgraded and put on alert the financial and debt situations of all our provinces in Canada. It outlines here the reasons why it has done that. It says one of the reasons is the effect of the recession. I am not surprised.

However, look at the second reason it cites. I quote it specifically again: B. "Federal caps or limits on the growth of all federal transfer payments". That is not the premier of Ontario. That is not the premier of New Brunswick. That is not the premier of British Columbia talking. That is the Dominion Bond Rating Service saying to the people of Canada that this federal government has created a big part of the problem that the provinces are now facing.

There is no way, although he might squirm and wriggle, this Minister of Finance can get out from carrying that can. There have been serious mistakes made by this government. It has made mistakes by cutting taxes to those at the top and thereby worsening our deficit. It has made mistakes by fiscal irresponsibility in the late 1980s that have been identified by the C. D. Howe Institute. It has made mistakes by cutting back the amount of money going to the provinces as the Dominion Bond Rating Service has indicated. That has thrown our provinces right across Canada into crisis.

• (1230)

Yet this government comes before us today and says: "We are managing the economy magnificently. Give us a blank cheque for more than $31 billion to go out and borrow".

Undoubtedly the trained seals on the Conservative side will get up and support this. Undoubtedly it will not prove to be possible for voices of reason to stop this craziness on the part of the government benches.

We have a government that has been wrong on its budget projections it made just 13 months ago. It was so wrong when it said 13 months ago that it would need just $13.3 billion. It now says it needs over $31 billion.

This government has been so irresponsible that it has not brought a budget forward to justify this borrowing authority. This government has been so vicious to the provinces that even the Dominion Bond Rating Services has underlined that as a major problem for the provinces.

This is finally a government that has been recognized even by the C. D. Howe institute as being a major part of the problem in creating the debt crisis we face in this country.

There is no way our party could ever support giving this government with this record a blank cheque for more than $31 billion in borrowing authority. This government has been so irresponsible that it deserves to be thrown out and not thrown money.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I would like to make a comment on the speech made by the hon. member. I certainly appreciate the depth of the difference between what was anticipated 13 months ago and what in fact is the case right now.

If his figures are correct then we are looking at a fantastic increase in projections. Those figures show the inability of the government to make any reasonable projections at all. When making projections in financial areas, one may be out by 5 per cent, 10 per cent or even 15 per cent given the vicissitudes of financing and the uncertainty of the financial markets today, the state of the recession and those similar impinging matters. However, to be out by a factor of over 100 per cent is astounding.

To add insult to injury, even before a budget is released, the government expects this House to go in front of the Canadian people to say we have not produced a budget yet. In fact the Minister of Finance was not sure whether he was going to have a budget or not until he was cajoled by the opposition to do so.

Having decided there will be a budget, he now comes forward to ask for the borrowing of $31.5 billion given the dismal state of the economy in the country right now and before the budget. This is not only arrogant and presumptuous but unprecedented in recent parliamentary history.

Could the member elaborate on the borrowing authority the government is seeking and the bond market it plans to visit and does he have a breakdown of how much is foreign and how much is domestic?

Mr. Langdon: Madam Speaker, again I thank my colleague for what is an interesting question. If we look at the total of the federal government debt we are talking at the moment of something over $420 billion. Approximately 23 per cent of that is foreign held. I would expect of this new borrowing authority we would likely be looking at a somewhat larger percentage than the 23 per cent simply because the government has been gradually increasing the degree to which it has gone to foreign markets to try to source some of its borrowing. We might be talking about 25 per cent but again there is nothing in the government's legislation which suggests the direction it will take.

• (1235)

The other point I might just comment on is that it is not entirely unprecedented for this approach to be taken and for a borrowing authority to be passed before a budget. I am told it was done by some previous governments before 1984.

However, one of the things that I think everybody in the House felt was a useful step forward, whichever party we were in, was the commitment on the part of the then finance minister Wilson that there would be a budget in February. There would be a set time and we would then be able to have a borrowing authority that followed from that that was important. We also had some greater certainty created for the various provincial budgets that had to be brought down subsequently. As it is at the moment, virtually every provincial budget will be presented before the federal budget is presented on April 21.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I would like to compliment the member for Essex—Windsor on his speech. His contribution certainly to this party with respect to job strategy and economic strategy in the New Democratic Party is paramount and instrumental in the direction this party is going.

I would like to ask the member for Essex—Windsor something. The fact is that oftentimes some say that as New Democrats we have no economic plan and cannot manage an economy and if we were in power things would be terrible. We have never been in power federally in this country and the debt of this nation is over $420 billion and is increasing at a dramatic rate. In provinces where the New Democrats have been in power, such as Saskatchewan in 1981, for example when the Blakeney government was in power, there were comments made that the Blakeney government was the best managed government in North America at that time.

I would like to ask the member if he could set the record straight a bit. What sort of process would he undertake as finance minister in the government next year to get this country on the right track? Could he give a general outline, for myself and for Canadians watching and for members of this House, of what directions a New Democratic government would take with respect to the economy in this country?

Mr. Steven W. Langdon (Essex—Windsor): I thank my colleague for the question. It is a tough one to answer in a few minutes.

I just want to refer people in the House and elsewhere to a very interesting article by Jeffrey Simpson which was published February 9, 1993 in *The Globe and Mail*, entitled: "It was not a socialist shopping binge that gave the country a hangover". He stresses in this article one of the important political realities in this country. It is that the massive national debt and the great bulk of provincial debt we have built up in this country do not come from New Democrat governments but from irresponsible governments whether they are Social Credit, Conservative or Liberal at the provincial and federal levels.

• (1240)

The jobs plan we have issued is characterized by—perhaps to the surprise of some across the country—commitment to reduce the level of expected deficit in this country over the next five budgets by $11 billion compared to what the Conservative approach would bring us. Therefore, we recognize the importance of sound fiscal management. We also recognize however that to reach that sound fiscal position requires getting people back to work and requires levels of interest rates in this country that would make the interest rate burden on our national debt less onerous than it presently is.

[*Translation*]

Mr. Yvon Côté (Richmond—Wolfe): Madam Speaker, I listened with great interest to the speech by the hon. member for Essex—Windsor who, if my notes are correct, mentioned two problems. First, the hon. member expressed his surprise that the borrowing authority bill was tabled without any information on the government's objectives or intentions, which was unprecedented or at least not common practice. Perhaps I could explain.

We have the December 2 economic statement, which announced the government's intentions and the economic and financial outlook. In other words, today's bill comes after this economic statement. I think that is a very important point. Furthermore, the basis for this borrowing authority will be further explained in the next budget. This is a very important point, and there is no reason to call this unprecedented. In fact, the precedent is there, and the basis for this borrowing authority is there as well. That is the comment I wanted to make.

[*English*]

Madam Deputy Speaker: The hon. member may want to make a very short comment. The time has expired.

[*Translation*]

Mr. Langdon: Madam Speaker, following last year's statement the government tabled a borrowing authority bill. Today it is tabling another bill. In my opinion, there should have been another statement or a budget. I am not particular about whether we have a statement or a budget, but we need one or the other to indicate the reasons and figures for next year so we can see how much money we need. There has been no statement or budget providing this information, and in my opinion that is what we need.

Mr. Côté: Madam Speaker, as I said before, I understand the hon. member's concerns, but I want to point out that in addition to describing the perilous state of the economy and proposing corrective action, the December 2 statement also announced the government's intentions for the coming year. I think it is important to realize that the borrowing authority is motivated by and based on the statement. And of course a few weeks from now, the budget will provide additional information.

• (1245)

I have a second point on which I did not have a chance to elaborate. The hon. member said the provinces were already bringing down their budgets, while we usually have our budget earlier, in February. I agree that is usually what happens. Speaking as a private member, I wonder if it would make more sense for the government to bring down its budget after the provinces bring down theirs. Traditionally the provinces never made much of an effort since their federal big brother had already announced his intentions and was the only player to make a reasonable effort, with or without budget cutbacks. Often the provinces would just tag along behind. However today for once, and I agree this is unusual, the provinces are taking the initiative, since big brother did not bring down his budget and they are now performing better than ever before. I refer to the last two budgets that were announced by Newfoundland, if I am not mistaken, and Saskatchewan.

I realize the member is disappointed that the next budget will be postponed for a few weeks, but I think there is every indication this will be beneficial and give the provinces that extra motivation to take the initiative, since they will be first with their budgets this time around. I think the impact will be particularly effective this year.

[*English*]

Mr. Langdon: Madam Speaker, I will answer the member's question in English because I can say it more quickly that way.

First on the question of a budget, the government cannot have it both ways. It is not possible to have it both ways. If there was a declaration, an economic statement, in December which covers next year, the government does not need a budget.

If it is going to have a budget, which the government has decided, then that budget presumably sets out new projections about what is expected and we must see those new projections in order to be able to make a responsible decision with respect to borrowing authority requests.

With respect to the second point that was raised, my problem is that the federal government budget is the budget that can have the greatest impact on the over-all economic situation in the country. It is the broad framework within which the provinces have to operate.

What we are getting at the moment is not the provinces presenting their budgets and then the federal government presenting a budget that somehow takes them into account because the timeframe would be far too short to make such changes. We are really getting at budgets being prepared and presented in parallel without any sense of interplay and inter-connection. That is really unfortunate when there are such serious economic problems within the country.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I will be splitting my time with the hon. member for Notre-Dame-de-Grâce. I will go ten minutes and five and he will follow with ten minutes and five.

As much as I respect my hon. colleague and am delighted to share my time with him, I would like to have had more time to press home some of my points, but I am sure my hon. colleague will do equally well in pressing home the difficulties we have with this bill.

I am going to say at the outset that I have great difficulties with not only the details of this bill but with the principle involved.

• (1250)

Looking at it in its simplest, mundane, ordinary day-to-day terms, this is like me asking you, Mr. Speaker, to sign a blank cheque in any funds available to finance my record of financial mismanagement over the last eight and a half years. I want a blank cheque from you to continue financing the ways in which I have practised over a period of time, which have been unconscionable, and I am still not financially solvent.

If I went to a bank with the record of this government and asked for a loan, even with a guaranteed support and a demand loan where I had assets or promissory notes to cover what I was asking to borrow, I do not think it would let me get beyond the second question. It would look at my record and would boot me out on my behind.

This is a litany and it is becoming tiresome for people who watch this on channel 18, 19, 20 or whatever it is. The role of the opposition is to press home just how atrociously the government has managed the finances of the country, and I am not one who presses home with such direct and consistent criticism on a particular point.

When we have a government that over the past eight and a half years has been pressing home a pledge and a promise to put Canada's fiscal house in order, reduce the annual deficit, and retire the public debt, on a regular basis, in 1984, 1985, 1986, et cetera, the government management of the economy has been atrocious, maladroit and inept. Why? It is because over that period of time it has increased taxes 38 times including the hated and badly timed goods and services tax. It has nickel and dimed students. It has reduced unemployment insurance safety nets for those people who need them the most at this particular time. It has introduced temporary surcharges that are still in existence and it is at its wits' end.

It cannot tax any more because it is well beyond the break even point of taxing individuals, and it cannot find money anywhere else. Now it has to go and borrow money. There are a number of things that bother me about this.

Borrowing money is not unusual. I think we all from time to time have to borrow money. When people borrow money surely one of the things their bank manager, assistant bank manager or whoever is going to lend them the money will look at is their credit rating and how much money they make; in other words, what they are looking at is their ability to repay the loan. That is the concern.

In 1984 when this government first looked at borrowing money the relationship of how much the country owed to how much the country made, in other words the ratio of the debt to the gross domestic product, was 42 per cent. Those are the best figures I can get and they have been verified by other people. It might be 40 per cent or 45 per cent, but it was in the vicinity of 40 per cent. We owed 40 per cent of what we made.

Eight and a half years later a concerted effort was promised by this government in its annual statements in the budget. Normally it is in February, March or April, the spring of each year, as is common for any government. It certainly has been a precedent with the Canadian government and in Parliament for as long as I can go back in my history books. There were promises by the government that it would retire this debt. It now says that the annual deficit is the same as it was when we started the exercise back in 1984 and that has caused the national debt to be doubled.

• (1255)

What is more important in terms of the relationship of one to the other, how much we owe versus how much we make, is that we have now gone from 42 per cent to 64 per cent. In other words, looking at our ability to pay and our financial solvency, we now owe 64 per cent of what we make.

Mr. Speaker, if you were running a business or were in a private situation in which you were borrowing on a regular basis 40, 45, 50, 55, 60, or 65 per cent of the money you made and you had a personal or financial debt for your business which in eight and a half years more than doubled then I do not think you would be a very good financial risk.

More important, and more scary to me and of more concern to the Canadian public, is the very question of where this is going to lead: Will the government have us in a position by the election, which has to happen by the end of this year, in which any party that assumes the custodianship of the country will never be able to take us out of the depth of financial despair we are now in?

We all know there was an attempt in 1990 to help retire the debt by changing the tax structure from essentially a manufacturers' sales tax on around 20,000 businesses in the manufacturing sector to a consumption tax on all individuals.

We all know a tax of that nature has a greater impact on those with less income because the amount they spend on necessities is much higher proportionately than for those in the higher income bracket. By having a consumption tax we attack those people who can least afford it.

The other aspect of this issue is, quite apart from the pros and cons and the advantages and disadvantages of a consumption tax not being harmonized with the 10 provinces, that the timing could not have been worse. I am sure the government's financial advisors in the country and our financial friends outside the country would have advised, and indeed had advised, against implementing a consumption tax when the government by its own admission and at its own hand was responsible for an impending made in Canada recession.

Mr. Speaker, would you expect me, with this background, knowledge and understanding, or anybody else with these concerns to be supportive of this bill? I think not.

In summary, we have a situation in which the government is asking to borrow $31.5 billion, and I wonder how much of that is offshore contributing to our 30 per cent of foreign debt. The government is asking to borrow $31.5 billion before a budget has been put in place and further play into the promise and pledge that it is going to reduce the deficit and the federal debt.

I do not believe it for one moment. I certainly am not going to support it because I think it is wrong, and I think it is atrocious. I do not think the Canadian people will support it either.

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, this bill to give the government the authority to borrow certain moneys gives us the opportunity to discuss the economic situation in this country and the government's economic policy.

Whenever we in the opposition and groups outside this House, economic experts, business experts, and think–tanks, attempt to bring to the government's attention that the economic situation in this country is bad and that its economic policy is not working, the government gives us two standard replies:

• (1300)

First, it trots before us a whole set of statistics attempting to show us that everything is absolutely fine, that the situation is really great, it is really moving in the right direction and so on. The second answer we usually get from government members, particularly the Prime Minister and the Minister of Finance, is that things were worse in the recession of 1981–82.

Let me deal with that response first because it is continually thrown back at us. Whether or not the recession we have had for the last three years is better or not as bad as the one of 1981–82 is irrelevant to the many thousands of Canadians who are unemployed now. Those kinds of answers from the Prime Minister and the Minister of Finance give no comfort to those many people who are unemployed, to the many businesses that are going bankrupt, and to the many people who are living in poverty. It does not become a government of this country to use that kind of response when we seriously raise the plight of unemployed Canadians and the dire straits of our Canadian business situation.

Let me just for a minute compare the recession of 1981–82 with the present recession. Many experts, not members of this House, have pointed out that if the participation rate in our labour force stayed at what it was in 1981–82 the unemployment rates would be much higher. For example, I refer to the Ottawa based company Informetrica which in its monthly economic review in January said the following: "The disappearance of hundreds of thousands of workers is all that has kept the unemployment rate from exceeding the level reached a decade ago in what was the deepest downturn since the dirty thirties. Unemployment would have reached 13.7 per cent last year, slightly higher than during the 1981–82 slump, had 345,000 discouraged workers not given up looking for jobs".

You are only counted as being unemployed in the official unemployment statistics if you are actively looking for work. If you are not actively looking for work and have become disillusioned, frustrated, and continually turned away, and have not looked for work in the last few weeks, then you are not counted as unemployed. Because of the situation today the participation rate in our labour force is much lower than it was in 1981–82 and consequently the unemployment rates appear to be lower.

In addition those who are unemployed in this recession have been unemployed longer. In 1981–82 there were high rates of unemployment but those people found new work quicker than they are today.

The unemployment today, to a much greater extent, is based on structural changes in our economy and not cyclical types of unemployment. Consequently a structural problem in our economy, which means the closing down of factories that have existed for years and years, and replacement by automation or new trade patterns and so on, requires a different kind of solution from the cyclical type of unemployment we had for the greater part of 1981–82.

There was another major difference as well. In 1981–82, faced with high unemployment, the Liberal government of the day believed the government could and should do something. We did try to do things. We tried to kick-start the economy. We had public works programs. We had programs to build houses, infrastructure and so on, all to kick-start the economy.

• (1305)

This government was influenced by the economic policies that were promoted in the United States under President Reagan and in Britain under Prime Minister Margaret Thatcher. Their belief was that the market economy would solve all our problems and the less government did the better.

We do not believe the entire solution or the basic solution can be found by government but we believe there is a role for government. We submit that the greatest areas of prosperity in this country have been where government, in a wise partnership with the public sector, has produced a lot of jobs and a lot of growth.

The new Government of the United States recognizes that as well. It campaigned on a rejection of Reagan–Bush type economic policies and won. Now it is trying to return to what can be more properly called a mixed economy approach.

Another response we get from the government is that everything is fine, that there is a glowing picture out there. It cites certain inflation figures and points out how low inflation is, how certain trade figures are up and so on.

Whenever statistics that deal with improvements or with things getting worse are cited, the distance of improvement depends on the starting point. I could take issue with the government on many occasions for picking starting points that were misleading and false in order to show that things had greatly improved. That aside, the fact of the matter is that things are not fine economically speaking. They are not. The government can try to paint as rosy a picture as it can, but that is simply not being bought by Canadian people throughout this country.

The unemployment rate is well over 10 per cent. There are still 1.5 million Canadians unemployed. Bankruptcies during the last year have been at record levels. There are record levels of Canadians going to food banks and soup kitchens. There is a greater number of people living under the poverty line. Things have been worse in the last 10 years than they have ever been in a continuous trend since the end of the Second World War.

When the government brought in some of these policies we warned it that those policies would result in exactly what has happened. They would exasperate what might otherwise be a shallow recession or downturn in the economy. But it went ahead with them anyway.

We in the Liberal Party are in favour of freer trade. Our history shows that as a party we have always taken steps through GATT and otherwise to expand trading opportunities. Before the free trade agreement there was a movement between Canada and the United States to lower tariff barriers.

We opposed vigorously the so-called free trade agreement which was much more than a free trade agreement. It allowed us to be left open to all sorts of attacks on our economy from the United States. We said it would lead to high unemployment, and it did. We said it would lead to the closing of Canadian companies, and it did. It was the same with the GST. We opposed the GST. Even those economists who supported the GST said it was the wrong time, that we should not bring in a big tax increase when the country was moving into a recession.

I do not have enough time, but I could quote from article after article which back up what I have just been saying. Let me say what we have put forward time and again. The Federation of Canadian Municipalities was here this week asking the government once again to participate in a tripartite program to rebuild Canadian municipal infrastructure: roads, sewage systems, bridges, tunnels, ports and transportation systems, which would improve the economic climate of cities attract business and commerce to cities, and at the same time put thousands of people to work. Why will it not do that?

• (1310)

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I was interested in the remarks of the member for Notre-Dame-de-Grâce. As usual his remarks have made a lot of sense. Of course in the time available it is not possible to cover everything.

I would like to ask him a couple of questions. First, what does he think is the effect of the government's policy of reducing the taxes on rich people and increasing the taxes on middle income people? Has that policy had any effect on creating jobs or creating unemployment?

I will ask my second question at the same time. What does he think is the effect of the government spending billions upon billions of dollars for the arms industry? Is that having a good effect on employment or a bad effect?

Mr. Allmand: Mr. Speaker, I will deal with the second question first. If I had the time I would deal with the government's commitment to buy military helicopters at a cost of $5.6 billion, almost $6 billion.

We are in a period where we need money for all sorts of things: health care, education, retraining and so on, and the government is going to spend nearly $6 billion on helicopters designed to fight a cold war which has now come to an end. Talk about nonsense. The government is saying it wants to reduce the deficit and provide growth in the economy. Even from the point of view of creating jobs, the production of military equipment such as helicopters is very low as a labour intensive industry.

If we want to create jobs there are many other things which would come before military production. Even from the point of that argument this is unwarranted expenditure. We must find a way since the cold war is over and there is not the major threat there was years ago. We still need armed forces for certain matters, such as peacekeeping and patrolling our oceans, shores and territories, but we do not need the same capacity we needed while the cold war was still going on.

With respect to taxation the member is absolutely correct. Taxes are not liked by anybody. We pay them because we know they are essential. If there is to be a certain peace in this country there has to be a consensus among all classes that the taxation system is fair. If people in certain classes, whether it is low income classes or middle income classes, feel they are being inequitably dinged with the taxes of this country then there is going to be unrest and instability.

One of the reasons we so vigorously opposed the goods and services tax, which was put through without proper consultation, without the support of the provinces and at a time when we were moving in a recession, was that it bears more heavily on the poor and middle classes than it does on the rich.

A 7 per cent tax or a 15 per cent tax on goods and services does not make as much a dent in the incomes and lifestyles of the rich as it does in the lower incomes. That is why years ago we brought in a progressive income tax system where the rates of tax increased: higher percentages on the wealthier population and lower percentages on the middle class, with exemptions for the people who had very low incomes. That is a fair system in principle. Where there is a certain percentage of tax for a consumption tax that applies across the board, no matter what it is not fair.

It is true the government has a tax credit system for those with very low incomes, but it does not compensate them for the high taxes they are paying to the government, hidden in most respects by the goods and service tax. In answer to the hon. member we know we have to raise taxes, but the taxes have to be introduced in an equitable and fair way for all classes in society.

• (1315)

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, it is very difficult today to talk about this bill without talking about the national tragedy that we are faced with in Canada as we are being pressured into passing a North American free trade agreement. I would like to concentrate my remarks on that.

This Conservative government is bound and determined to sell Canadian interests to the U.S. and Mexico under the North American free trade agreement or NAFTA. Five years of the Canadian–U.S. deal, the FTA, has resulted in the loss of some 500,000 jobs, mostly in manufacturing. We know that company after company in Canada has gone broke or has moved to the United States.

In my riding of Vancouver East, for example, fish processing plants have been forced to close and some have moved south with hundreds of jobs being lost. This is a whole field of jobs, particularly for immigrant women.

Textile workers have been laid off or forced into exploitive home work and many, many small businesses have closed. Many have been affected by cross–border shopping.

However we look at it, five years of the FTA and now a NAFTA agreement on top of it will be devastating to Canada and to our sovereignty. Many young Canadians have given up hope because of the lack of job prospects.

Canadians already are hurting from continuing high unemployment, government cuts to our social programs and a battered economy. Much of this is really related to our locking ourselves into a continental agreement with the United States. Many more Canadians will suffer if this government passes the NAFTA.

Canadians do not want NAFTA because it is bad for Canadians and bad for Canada. NAFTA is much more than a trade deal. This is what I hope Canadians and viewers will understand. It is a continental economic agreement, an economic constitution that gives economic control not to governments but to transnational corporations whose sole interest is profits. It emasculates our national government which will have no say or control over Canada's destiny.

It is a triumvirate kind of agreement where Canada will provide unprocessed resources, Mexico will provide cheap labour and transnationals based mostly in the United States will make the products and get the trade benefits.

Our brain power will go south. Small businesses will not be able to compete. NAFTA threatens Canadian jobs and businesses in our auto industry, in textiles, agriculture, transportation, banking, insurance and data processing.

The Government of British Columbia is strongly opposed to NAFTA because it will erode the provincial government's ability to manage provincial resources and to control foreign investment in our economy in B.C. B.C. will be hurt in five very critical areas.

First of all, NAFTA will not stop the U.S. from setting up unfair trade barriers. We see how damaging this has been to the B.C. economy in relation to softwood lumber tariffs. It will prohibit Canadian incentives that are needed for processing our raw materials, our raw logs and our raw fish and to have value–added products for trading. This will be very difficult in our economy.

Second, this deal will not ensure that workers' rights and the environmental standards are protected. There will be tremendous pressure to undermine unions by lowering the working standards and wages for Canadian workers. Higher profits will be had in Mexico because of its poverty levels, its abysmal health and safety standards and lax environmental enforcement.

We heard at a rally recently in Vancouver that Mexican workers earn $5 a day if they are lucky, are working in very polluted environments and their situation will be worse with NAFTA. Mexican workers also oppose this.

• (1320)

Third, this unfair deal will hurt B.C.'s processed vegetable producers and apparel industry. The Canadian Apparel Manufacturers Institute says that as many as 30,000 Canadian jobs in the apparel industry are at risk if NAFTA is signed.

Fourth, NAFTA offers absolutely no guarantee that B.C. will not be forced to export water to the United States. Earlier today we heard the minister refuting this, but I can tell you at the hearings which I attended in Vancouver, experts there had studied the documents very carefully and pointed out that water is not exempt. It can be considered as a good and therefore become a transcontinental resource.

Fifth, the Canadian government offers no assistance to help Canadian workers adjust. This has been promised to American workers. We know this was promised under the FTA. I certainly know many people in British Columbia who are unable to get any adjustment programs.

This Conservative government is setting Canadians up for a future where our health care and social programs are in jeopardy. Bill C-91 was a part of this NAFTA deal. It was part of this nefarious plan and, of course, this was the drug patent bill which gave a monopoly to multinational pharmaceutical companies and has a tremendous impact on the cost of drugs and the whole medicare system in Canada.

Tories have argued that this was necessary. It was necessary in their view. It was something that they had already promised to Mr. Bush.

NAFTA basically wipes out the sovereign right of the Canadian Parliament to allow generic drug companies to provide cheaper copies of brand name drugs to consumers.

Canadians have suffered more than enough under the U.S.-Canada Free Trade Agreement. Enough is enough. NAFTA must be rejected in favour of world-wide fair trade and I will ask my colleague to expand on some of these points in his remarks.

Mr. Dan Heap (Trinity—Spadina): I would ask the member for Vancouver East to comment further on the effect of the free trade agreement and unemployment on the income levels of the people she knows of.

In my city, and I will go into this later, the rich have got richer and the poor have got poorer. This is the intended effect of the free trade agreement and other parts of the Tory agenda.

I am sure the hon. member can tell us something of the situation of the people, especially the large number of unemployed people, in the district that she represents.

Ms. Mitchell: Mr. Speaker, it has had a devastating effect, as the member suggests. For example, I have met with a number of people who were in the fish processing industry and these plants have closed down entirely. Incidentally, they were not even given adequate unemployment insurance coverage. Many of them are immigrant women raising families on their own. Some are native women, and that is probably one of the worst effects.

Look at the garment industry. We know that if the industries are to survive at all and compete with the American and Mexican industries, they are going to have to force largely women into doing things at home in the cottage industries.

Some people think this is folksy and lovely, but it is a terrible situation because it is not controllable. It is not unionized and women who are looking after kids are going to be trying to do work on machines and so on in their homes at very low wages.

We know the impact it has had on the whole aspect of unionization. There is a move to do anything possible to undermine decent union wages and to force down wages by whatever means possible. There are many, many impacts.

• (1325)

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I know the hon. member has been very active in issues dealing with the multicultural areas and various cultures in Canada and the number of support groups over the years to help immigrant women and other people adjust and get ahead in this country. I would like to ask her, from her experience over the years, what impact has the effect of government budgets and government cutbacks had on various support groups that have been trying to help disadvantaged groups in her riding and perhaps right across the country. If she could make some comments on that, I think it would be quite enlightening.

Ms. Mitchell: Of course, speaking more generally and not only from a NAFTA point of view, we know that the federal government has targeted advocacy groups, in particular immigrant and visible minority groups, the Canadian Ethnocultural Council and many groups and communities, and has cut back on their funding, just as it has cut back on native friendship centres, for example.

These groups are needed as advocates to work for improvement in the conditions for these people. The government has cut back and they are now having to close.

It is very interesting that the member for Vancouver Centre who is aspiring to be Prime Minister is talking about wonderful citizen involvement, grass roots citizen involvement when it was her government in its budgets year after year that cut out any funding that makes it possible for people to organize, to speak for themselves, to get involved in the whole process of speaking for themselves and developing programs affecting government.

There are those impacts. There are also great impacts on immigrant people coming in, immigrant women who are the last hired and first fired, and on small businesses. I know in my area, in Chinatown particularly, I have had merchants saying how difficult it is to survive and the impact the combination of FTA, the free trade agreement, plus GST has had on their businesses. It has just about made them go under.

Also it seems unfair that we are putting so much emphasis on north–south trade and ignoring the Pacific Rim where there is tremendous potential. That is certainly what we should be developing.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, we have divided our time because we want to speak on this bill and we know that time is running out. We know that we will not get a fair chance to speak on the official debate on the North American free trade agreement because the government is cutting it to two half–day debates. It is not even two days.

However, these two bills are closely related, though the NAFTA bill is more important. The government is asking us to agree to let it borrow $31.5 billion and it has not told us what it is for. It did put out an incomplete financial statement in December. Things have changed further since then, as the government itself admits. It is not giving us a real budget prediction for the coming year but is telling us: "Lend us this money to spend it on such and such". It is just asking for a blank cheque.

We in our party would not lend the government a nickel, considering its record of wasting money. The government has been wasting the taxpayers' money for eight and a half years. It has given tax breaks to rich people, which is the main source of the growth of the deficit in the last few years. The previous government started it and this government has continued it.

The government has been giving tax breaks to rich individuals and big corporations and grants to big corporations. It is giving grants and subsidies to the arms industry at a time when it does not need it. The cold war is over. Not only are the Russians not there, but the subs are not in the ocean. They do not have enough fuel or enough dollars to put their subs out to sea. If we want to watch where their subs are we just have to send somebody to the northern port at Murmansk and he can count them because they are all tied up at the docks, so we read.

• (1330)

This government is wasting money on armaments at a time when it should be investing in things Canadian people need. It is going to blow $5.5 billion on helicopters to hunt for submarines that are not coming.

It has changed the laws to sell automatic weapons to foreign powers. It has in fact decided to sell over a thousand troop carriers with automatic machine guns on them to Saudi Arabia, a country that is already too highly militarized with a notorious record for abusing its own citizens and denying freedom, particularly to women.

It has also agreed that Canada will sell frigates to Saudi Arabia, probably $1.5 billion worth.

That kind of encouragement to the international arms race is going to promote more war. It promoted the gulf war because we had been arming Saddam and were then surprised that he used his arms. We are now hurrying to try to sell more weapons to more dictators and police states around the world.

The reason is that the Tories believe in the trickle down theory: If you give the money to the rich they will spend it and somehow the poor will get some too. What they always leave out of that nice theory is that they did not take the money in the first place from the rich; they took the money from the people at the bottom and in the middle and gave it to the rich. Then they tell the people at the middle and the bottom that if they live long enough some of that money will come back to them. That is their trickle down theory.

That is also why they signed this agreement with the United States, the free trade agreement, which has ruined hundreds of thousands of good jobs in Canada. The agreement gives control of our economy to the great transnational corporations which are mostly based in the United States. The North American free trade agreement will give further control even over the provincial governments.

Mrs. Maheu: That's our socialist: Print the money.

Mr. O'Kurley: Comrade.

Mr. Heap: If the hon. member would come to order it would make it easier for the House to carry on its business, instead of carrying on her gossip across the floor.

The purpose of the free trade agreement, like the purpose of the whole Tory agenda, is to prevent the Canadian people from controlling their own economy, from controlling their own daily working lives to produce the things we need. The result after that, for example in metro Toronto according to a recent report of the Social Planning Council, is that more than 21 per cent of the people of Toronto—that is of 2.5 million people—are on social assistance. More than one in five is on social assistance. The reason for that is simply the unemployment that has resulted from the free trade agreement. The factories were being shut down even before the NDP government was elected. They had been shut down, dismantled, emptied of their machinery.

Unemployment is up across the country, although it is stronger in the manufacturing area because it is there that the American corporations made their attack, shutting down branch plants, buying up plants to shut them down so the production would be concentrated in the United States.

The government brags about increased export of goods which it has been able to do by at last devaluing the dollar, but it does not tell us about the drop in the export of services where most of the jobs are.

The Tory agenda has caused unemployment and extreme poverty so that one-fifth of the people of metro Toronto are now on social assistance.

There was a study done by the Social Planning Council of Metropolitan Toronto. It divided the incomes of people according to size into 10 groups—the highest, the middle and the smallest—about 350,000 families in each group, just the families. It found that 10 per cent of the families with the highest income during the last 20 years increased their income by 3 per cent, that is their share of their national income, to $124 million per family on average, while the bottom 10 per cent found their income dropping. It dropped by almost .5 per cent so that they are now only getting $3,400. In other words, the top ones are getting about 40 times as much as the bottom ones.

• (1335)

They have reckoned the top ones' increase in worth at about $5.4 billion. If it were divided evenly among the bottom ones with the same number of families, 350,000 at the top and 350,000 at the bottom, it would give an income to each bottom one of about $15,000 more.

How could that be done? It would not have to be done by handouts except in the short, emergency situations. We could close the food banks in Toronto in short order if we made certain changes, if we had fair taxation, taxation according to ability to pay instead of people earning $200,000 or $300,000 paying no taxes, corporations worth many millions of dollars paying no taxes and the taxes being loaded on to the people at the bottom and the middle, even people on unemployment insurance or pension paying taxes.

We could make fair employment and unemployment insurance rules. We could have proper investment in health, education and housing. We could have a day care system that people need. Those would all provide scores of thousands of new jobs. We could also rebuild the transportation and communication systems of Canada east and west instead of making Canadians depend on going south to the United States. All of that would create the jobs if we dumped the free trade agreement

and dumped the whole Tory agenda with its unfair tax system.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I commend the member on his speech. I have a question for him.

The member has been very active in helping the socially downtrodden in this country over the years as a minister, as a member of the New Democratic Party and as a member of Parliament. I also know he has been active on a great many committees. Being from the Toronto area he certainly has seen his share of hardships and suffering in that area of the country as there is in many other areas of the country.

I would like to ask the member to comment on exactly what the state of poverty is in this country and how it has changed even in the past 15 years since he has been involved. We have had Tory governments and Liberal governments all claiming to want to help the socially downtrodden and wanting to improve the lot of people. I wonder if he can make some comments on how he sees the kind of improvement that has been made in this country with respect to the poor. Are the numbers decreasing? Are they increasing? Is there hope there? Has the hope diminished? Have problems increased? Have problems changed?

This is a general question but I think it is very important that we start looking at a perspective and get a bit of a picture as to exactly what is the state of individuals in this country, those who are financially not as well off as many, those who are suffering socially and those who are suffering emotionally. How are we dealing with those people in Canada? How are we improving their situation? How are we improving their lot in this country?

Mr. Heap: Mr. Speaker, I thank the hon. member for the question. It is a very broad one. I will just pick two or three points.

As to what has happened in the last 15 years, I will go a little bit farther back than 15 years. In 1975 the then government of Pierre Trudeau imposed a wage freeze. At one stroke, without the slightest consultation, even less consultation perhaps than the present government uses, he denied the legislated and hard won right of the working people of this country through their unions to bargain for higher wages.

• (1340)

He simply imposed a freeze. He claimed he was imposing a freeze on prices. Nobody ever noticed the price freeze. Certainly he did not even claim to impose a freeze on profits. Since then there have been many moves like that by Liberal and Tory governments to take away the strength that the working class in Canada has won through a century or two of struggle, almost an entirely peaceful struggle, on the part of the working class.

Second, there were the tax breaks for the rich initiated by the Liberal government in the early seventies and then much increased by the Tory government in the last eight and a half years by which they have simply taxed poorer and middle income people into a lower level of real income than they had in those years past.

Third, beginning again with the Liberal government in the early eighties and continuing at a greater pace under the Tory government, they have been dismantling the health system, the post-secondary education system and the transportation system of this country so as to make Canada more dependent on private enterprise, that is to say on the transnational corporations which are now moving in to take over health and moving in to take over education even in lower systems. Now they are even dismantling the telephone and other communications systems in this country to make us dependent on large American multinationals.

Basically it is a policy that the present Deputy Prime Minister enunciated before the last free trade agreement, before the last election. He explained to people in the oil patch this free trade agreement would protect the oil barons against a left wing Liberal government or an NDP government.

In other words, the free trade agreement is to protect the companies from the people of Canada in case the people of Canada should elect a government that did not support the companies in the style to which they aspire.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I understood that an hon. member across the way had wanted to be recognized. He is not in his place so I will continue my remarks.

I just want to indicate to the Chair that first I would like to share my time with the hon. member for Ottawa West.

[*Translation*]

The government is asking this House today to grant it authority to borrow $31.5 billion. We are therefore discussing the government's fiscal and administrative policy.

Before going further, I would like to dissociate myself from the comments made by my colleague from Trinity—Spadina. I have a lot of esteem for him, but even though I do not much like the government opposite, I will not go so far as to say that the government intentionally or in bad faith acted against the interests of the Canadian people.

I do not agree with the Conservatives' policy, but I still recognize that most people in this House are doing their best for their constituents.

We must establish new policies in this country and restore the confidence of the Canadian people in government institutions. Barely two hours ago, we had an oral question period in this House during which the government was questioned on the Prime Minister's behaviour in appointing people to sit in the other place just as he himself is preparing to leave this House.

• (1345)

Moreover, in 1981 the Prime Minister had also promised not to proceed to any nomination when his turn came to step down. Today he is breaking his word and Canadians feel cheated. For some members, these nominations of two, three or four persons, this type of thing, may be of little importance.

Compared to $31.5 billion this is just peanuts but it has to do with trust, because when the Canadian people cannot trust their Prime Minister, who is making appointments despite his solemn commitment not to do so on Canadian television nine years ago, how can they trust the Conservative government in other matters? In my opinion, despite all the hoopla about a leadership race, the Conservatives will not regain the confidence of the Canadian people.

This kind of cynicism leads people to wonder who they can trust. This is sad because it gives a bad name to this institution and to all of us. We should stop and think about that today.

At this very moment, the hon. Leader of the Opposition—I almost said the right honourable, but it will come soon—is making a speech before the Sainte-Foy Chamber of Commerce to annonce the research and development program of the Liberal Party of Canada. I want to take this opportunity on behalf of most, if not all members in this House to congratulate the Leader of the Opposition and member for Beauséjour on the excellent program he announced in Sainte-Foy. This program is designed for the Canadian people and its goal is to update our way of looking at research and development not only in the decade already under way but for years to come.

The Leader of the Opposition said and I quote: "A wind of cynicism is now blowing over this country's institutions in which we used to take pride." He then added: "It is time to bring back that pride. But how can we speak of pride to an unemployed of 45 whose employer had to close his business under the combined pressure of a free trade agreement without a transition program and a GST that needs an army of accountants to administer". That is well said, Mr. Speaker.

It is not enough to criticize, and the intention of the Leader of the Opposition is in no way to limit himself to that. We must do it because we must make this government accountable for its actions and we do so with all the necessary vigilance. Moreover, my colleague and my leader, the hon. member for Beauséjour, wants to propose a proactive program in the field of R&D, namely the Liberal Party program. He says, and I quote him again: "It is through this network of new links that a Liberal government will create a national apprenticeship program to help young people complete their studies and be better prepared to enter the work force".

Just a few days ago in this House, we debated a bill which would impose a 3 per cent tax on student loans. Moreover, the students would be subject to an additional six months of interest payments. Is this the way to help our young people complete their academic training? This is a backward approach.

• (1350)

Imposing additional charges will not encourage our young people to finish college or university. As the Leader of the Opposition rightly said, we must do everything to better prepare our youth for the labour market. Of course, a very good way to prepare them better is to have them stay in school long enough to acquire a better academic, technical or professional training, so that they are not condemned to low-paying jobs for the rest of their lives or, even worse, condemned to losing their jobs whenever the economy declines.

The Leader of the Opposition also said in his excellent speech: "I would call on the Canadian banks to be more flexible and understanding with them, so that they can obtain the financing they need". Of course, he was talking about small and medium sized businesses. He added: "In addition a Liberal government will continue the reform of the Small Businesses Loans Act, make access to risk capital easier, support our export potential and ease the regulatory burden on small and medium-sized businesses".

These are some of the things that the Leader of the Opposition is proposing to us and to Canadians. Representing a riding like Glengarry—Prescott—Russell, I can attest to this need for better academic and occupational training.

I would like to conclude by urging the government opposite to provide the necessary funds, with the Government of Ontario, for building the Cité collégiale here in Ottawa, as well as the satellite campuses in Hawkesbury and Cornwall, so we can train the people of our region and encourage them to stay in school and upgrade their skills, as others already have, but which our people have not always had a chance to do.

The federal government has been negotiating with the province for a long time. I encourage both parties to conclude these negotiations and build this Cité collégiale, so long awaited by the people of my riding and other parts of eastern Ontario.

[*English*]

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I want to direct a question to the hon. member for Glengarry—Prescott—Russell who is a member I have respect for. He is a very hard working member and is certainly very sincere in his approach to handling matters with respect to the House and his riding.

As he will know there are many people in this country who have been critical of the federal Liberal Party with respect to the fact that it has not been clear on many issues. It has been vague. Having looked at the Leader of the Opposition's speech I must say that I have been unable to find the specifics.

I would like to ask the hon. member something specifically with respect to the future of the economy, which is going to be germane to any advances we are going to make on social and other issues in this country. What is his party's position with respect to the NAFTA agreement? Is his party opposed to the NAFTA agreement? Will his party, if elected, announce that the NAFTA agreement will not go ahead on January 1, 1994?

With respect to the GST his party has made comments that it was going to remove the GST. What is his plan to replace the GST? What will take its place? Will there be another tax? Will there be a different approach as to how Canadians are taxed? Finally, what is his position and his party's position with respect to an economic plan?

It would be interesting to hear some specifics because, with due respect, we are not getting an awful lot of specifics from the Liberal Party. We would like to hear some specifics now if the hon. member would oblige the House.

• (1355)

Mr. Boudria: Mr. Speaker, I am being asked to explain the economic, fiscal, monetary and trade policies and skills training of the Liberal Party in the next three minutes. That is not going to be an easy job. I will attack some of these topics. I will gladly send him much of the material that the Liberal Party has put together so far.

The hon. member knows, in spite of what he says, that there have been several pronouncements in that regard. The Leader of the Opposition, for instance, gave an extensive speech at the University of Ottawa on the economic recovery in our country. He also gave another speech in Toronto. I have just quoted from the one in Ste. Foy, Quebec today with regard to trade. I will gladly forward him a copy of it.

I want to address a couple of things specifically, however. The first is on trade. There is no doubt that the cornerstone of any trade policy has to be the General Agreement on Tariffs and Trade. In terms of the North American free trade agreement our position is that this agreement should only proceed once Canada is satisfied that through parallel accords we have corrected the shortcomings of the original deal. Our trade critic has expressed this many, many times in the House. He asks very responsible questions every day in expressing what we need.

What do we need specifically? First of all we need to improve the Canada-U.S. Free Trade Agreement in reference to the subsidy code. We need also to recover some of our losses in the energy area. We all know that. We have spoken on those extensively in the past. There is insufficient protection for the environment in the North American free trade agreement as it is. The Americans have recognized that and the new administration wants a parallel accord. The problem is that the government across the way says it does not need anything and the accord is fine as it is. We do not agree.

The member asked about the goods and services tax. Here is the position we have taken. We know as a government—which we hope to be very soon—we are going to need the funding necessary to function and to continue to provide for the social programs that we as a party invented a number of years ago. We know we will need the money from some place. It is not just swell to say we will abolish the GST and not replace it with anything. That is not very responsible or cute. Of course we do have to replace it with something.

The Leader of the Opposition has stated that he will appoint a committee of this House to travel right across the country to develop a program within 12 months after the government is sworn into office so we can replace this tax. Yes, there will be another tax but it will be one that works and does not take an army of accountants to figure out and does not provide the burden that this present taxation regime does on small and medium sized businesses in my riding and elsewhere in Canada.

I am also supposed to respond to economic policy but I think my time has run out.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, it is important to point out for people who are listening to our debate this Friday afternoon what it is we are debating.

We are debating a government that says it is interested in reducing the debt and the deficit that is borrowing a new $31.5 billion. That is adding to the debt instead of reducing it. I do not think anybody out there needs to be reminded that it also means adding to the deficit because we are going to have to pick up the interest on that $31.5 billion of new debt.

For a government that says it wants to stay the course on reducing the debt and the deficit this must seem to ordinary people out there watching us, and to those of us who like to think we have some common sense in here, just a little bit contradictory not to say hypocritical. However, sometimes we all borrow money because we have important purchases to make and important things to do. We want to invest in our children's education. The time has come to buy a new home and we know we are going to be building up our capacity to enjoy the future and to enjoy more security in the future. Let us have a look and see if that in fact is what the government is going to do with this $31.5 billion it is borrowing today.

First, where is it going to borrow the money? Is that borrowing going to help Canadians and Canada?

• (1400)

We know it has increased our foreign borrowing to the point where $22 billion in interest is going out of this country every year, outside Canada, out of the Canadian economy, away from where it can stimulate economic growth, job creation, research and development for Canada and for our economic future.

This government has us to the point where we are now sending $22 billion of that annual deficit outside Canada. That is bad enough, but another interesting point is that on the $22 billion nobody in Canada is paying tax. Not only are we sending $22 billion outside the country, but assuming a 50 per cent income tax rate we are also giving up $11 billion in income tax we could be earning on that $22 billion of interest. We have a further drain on the Canadian economy.

As I said sometimes it makes sense to borrow money. It depends on what is to be done with it. What is the government going to do with it? What is the biggest problem confronting Canada now? What is the biggest problem confronting Canadians? What is the biggest worry of our young people or of people in middle age who suddenly find themselves without jobs and not knowing how they are going to pay for their mortgages or rent or put food on the table?

A job, I think, is the biggest worry of most Canadians. Turning to unemployment in this country, 11.6 million Canadians are without jobs. There five million Canadians in total either on unemployment insurance, welfare, or living in a household where the income earner is on unemployment insurance or welfare. Where is the government's job creation program? Surely that is what it wants this $31.5 billion for.

It does not have a job creation program. It thinks this level of unemployment is just fine and that somehow Canadians will have to struggle through it and survive as best they can. It has just finished telling those same Canadians who are without jobs that the unemployment insurance they have paid into all their lives is not going to help them out much and is going to help out fewer people.

Is it going to help our young people who have never yet had jobs because they happened to come out of school at a time of high unemployment? Is this government going to be using this $31.5 billion to invest in more student loans and student grants to help young people get better education and better training so they have a future? No. In fact it is planning to give up all responsibility for the student loan program.

We all know that this past year the government started charging young people who are poor enough to qualify for student loans a fee for the loans. They do not have enough money to go to university so they qualify for the loans but now they have to pay a fee to get the loans.

Older people in our country are worried about the future of medicare and about the future of their pensions. Is this government planning to use this $31.5 billion to ensure the security of the old age security scheme or to ensure the future of medicare? No, that is not in its plans either.

Is the government planning to reduce taxes? Is it planning to do anything about those 37 different tax increases it has imposed on Canadians in the last nine years that have created a large part of the economic difficulty we have by taking purchasing power out of the hands of consumers? No, that is not what it is planning to use this $31.5 billion for either.

Is it planning to improve government services so that people are not waiting two, three or four years to have a family member join them from the country they emigrated from?

Is it planning to improve services to Canadians so seniors are not waiting six months? After spending weeks on the telephone unable to get through busy signals, they are forced to go down to visit an office because there are not enough staff and there is not enough equipment to give Canadian seniors the pensions they are entitled to. No, that is not how it is planning to spend it either. It is not planning to add more public servants to deliver the service seniors really want. It becomes pretty difficult to go downtown three or four times, since they cannot get through on the phone, just to try to qualify for pensions they are entitled to because they have contributed to them all their lives.

• (1405)

Is the government planning to put this money into solving the problems of the environment? No, it is not. It has just gone through cutting the green plan. In fact the green plan has been a better example of cutting than of curing. From the time it was introduced in 1991 it has been steadily drained and bled of funds to solve our environmental problems. The estimates tabled just a few weeks ago show further cuts to the green plan.

Is the government planning to invest in research and development? No. It has been a steady slice away at research and development, slice away at the opportunities for the future for this country and slice away at our ability to compete internationally because we are in the forefront of key sectors of new knowledge.

As I said at the beginning sometimes it makes sense to borrow. It makes sense when we have good, positive, important things we want to accomplish. In the four years I have been in this House I have yet to hear one good positive thing that the government wants to accomplish for Canada. I have seen the cut of this, the destruction of that, the ruination of the other, and I wait yet to see one positive thing.

That is why I will say no to borrowing $31.5 billion. I do not think the government needs it because it does not have a plan to use it for the benefit of Canada.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Privy Council and Minister Responsible for Constitutional Affairs): Madam Speaker, I would have a question for my hon. colleague. I have been listening to her for a while and have heard nothing but negative comments. She said since she was elected to this House four years ago she has found nothing positive. But would she not say that one of the biggest problems facing this country—I agree that unemployment is probably the biggest but this is a big problem too in our country—is this propensity to complain about just about anything.

From listening to her speech one would believe that no more R and D is being done. That is not true at all. The people watching us deserve better information than that. There are great things being done in R and D. Some things are happening through the green plan. There are things going on everywhere. But the best job creation plan may not be to hire more civil servants to answer the phone, but rather a plan to put the economy back on track again, an economic recovery plan to restore Canadians' confidence in the economy. That is what we are doing and I find it regrettable that she would have negative things to say about that. I am not expecting praise from the other side, but it will not be said that everything is going wrong in this country. All that the younger generation watching us on the Parliamentary Channel can hear is moaning, not unlike what I am doing right now as a matter of fact.

Mrs. Catterall: I could not agree more, Madam Speaker, that there is a need to restore confidence in the economy and in the future of our country. That is not what I am blaming this government for, this government that has destroyed the confidence the people of Canada had in their country by failing to ensure proper prospects for the future. Confidence in the economy must be restored, but this cannot be done by borrowing an additional $31 billion when the deficit already stands at $500 billion or so. Canadians would only feel more disperrate.

[*English*]

Mr. Brian O'Kurley (Elk Island): Madam Speaker, I was interested in the comments of the hon. member opposite because she and I share responsibilities on one of the House of Commons standing committee.

Generally speaking I have a great regard for her comments. However some of the statements and innuendoes in her speech are worthy of a response. With regard to the money being borrowed, most fair-minded Canadians realize the money is being borrowed to pay the interest on the Liberal debt. Most people also realize the entire national debt of Canada is the original debt in 1984 the Liberals created in addition to the compound interest. Since 1984 the Government of Canada has accumulated an operating surplus of $33 billion. If it were not for that surplus our debt situation would be quite a bit worse.

• (1410)

With regard to the comments of the hon. member about interest rates and about foreign borrowing, would she recommend as a policy of the government that interest rates be increased to encourage domestic borrowing, increased to the rate the Liberals had during their term of government of something in the order of 22 per cent? Would it be her recommendation to encourage domestic borrowing to service the Liberal debt?

Mrs. Catterall: Madam Speaker, the member knows perfectly well the debt of the early seventies and eighties was paid off many times over in the time he has been in Parliament. It has been reborrowing by the member's government that has more than doubled the debt.

Some hon. members: No, no.

Mrs. Catterall: Madam Speaker, would you like to bring order or perhaps I should do it. None of us in this Chamber has not been in debt. We know that when our income rises, as the income of the government rose dramatically—

Some hon. members: Oh, oh.

[*Translation*]

Madam Deputy Speaker: Fortunately the five minutes for questions and comments are up.

[*English*]

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I cannot believe my ears. It is Friday afternoon and we are shouting across the aisle actually trying to—

Madam Deputy Speaker: If the hon. member will allow me I do not believe my eyes or my ears either. Shouting in the House, this week? No. The hon. member for Ottawa Centre.

Mr. Harb: You said it, Madam Speaker. We get to a point where we have to start looking forward and stop crying over the past. We have to shift our cars into full gear so we can move toward the next century and have a positive outlook.

I could not help but try to get involved in this debate somehow, at least from our local perspective at the national level in the Ottawa–Carleton region. The government obviously is talking about debts and deficit reduction, economic growth and so on. All those are wonderful things but sometimes action speaks much better than words and is a true reflection of what is happening out there.

I would like to share from the perspective of the Ottawa labour market what is happening in terms of the record of this government and what it has done to the industry in this region alone. If the industries are doing fine they are selling, employing people and paying taxes. Then we have a lower unemployment rate and a high productivity level and everybody feels good.

Let us look at some of the figures from the local industry in this region. I am going to share a few of those figures with the House. In 1992 the construction industry, for instance, pretty well followed the national trend. We have seen a decrease in that by 2,600 people. In terms of the over-all industry it is a reduction of over 23.9 per cent.

• (1415)

In the trade and commerce industry for instance employment has decreased by 1.8 per cent. It was 45,200 in 1992 and that is down from 56,800 in 1990. As we see there has been a tremendous drop in this particular area and that represents a rate of approximately 8.5 per cent. The construction and trade sectors have taken a big hit over the past three years or so. In our region's finance, insurance and real estate industry, while employment in 1990 was 22,900, as a result of the worsening economy and the bad politics which have taken place at the federal level and the provincial level in Ontario we have seen a decline to 19,600 in 1991. That represents a decrease in terms of the over-all number of people in the work force.

The management and professional administration group has lost 1.3 per cent in terms of the number of people who were employed in 1992. Service occupations is another sector in our region which was extremely affected by what has taken place. The food and beverage sector lost 2,600 jobs in 1992 while the unemployment rate was at 8.1 per cent, fairly low when we compare that to 1984 figures.

In the processing occupations again we have seen a downward trend. This group has lost 2,200 jobs in our region. The construction sector, as I indicated a little earlier, also lost 2,400 jobs in 1992.

Obviously if these people are losing their jobs there is only one thing for them to do and that is to claim unemployment insurance. It is interesting to note that in 1991 there were 22,337 who claimed UI benefits on a monthly basis. That is something the government should have noticed a long time ago.

People go on UI for a few months and then it runs out. Then what do they do? They move on to the social welfare assistance rolls. It is interesting that there are on average in this region over 3,500 cases a month of people who are collecting social welfare assistance.

These are the figures. I have to ask my colleagues on the other side of the House what the government has really done to help the people get back on track and to encourage them to move forward.

To be quite frank, the combination of provincial and federal politics has been a recipe for disaster over the past three years. It has failed. I can only say it is because of the mismanagement of the economy, nothing more, nothing less.

One would ask how we deal with the question of the deficit. There are two areas and the government can take note of them One of them is investing effectively and efficiently in the area of education and combating illiteracy. The other one is crime prevention.

Not too long ago we had a conference in Toronto. The public was informed that the cost of crime in our country was over $14 billion a year. Two years before that we were told that the cost of illiteracy in Canada, in terms of the cost to society as a whole, was over $10 billion a year. That is over $24 billion cut out of the economy annually. That is as a result of mishaps, lack of planning, and the fact that over the past few years we have been playing a reactive rather than proactive role when it comes to the economy and society as a whole.

• (1420)

Another extremely important factor is in our institutions, for example in our jails. I am informed that it costs us over $70,000 annually to keep somebody in jail. That is the kind of thing, as a government and as a society, we have to sit down and look at in terms of how we are doing things. We can no longer deal with the situation we are faced with today the same way we dealt with it 30 or 40 years ago. We have to change our ways and attitudes.

The government has had tremendous opportunities to get the economy back on track but has failed to do so. Month after month, year after year we have heard government ministers and the Prime Minister speaking out on the question of education and initiatives that will help the economy get back on track.

They have commissioned report after report. The latest report I am told cost over $20 million and deals with the question of prosperity in order to put Canada back on track. I have yet to see one single action plan coming out of this report that would put this country back on track.

We have been talking a lot but have not yet seen one single tangible action that the Canadian public can look at and say: "That does make sense. We should proceed with that proposal because it would help the economy".

We talk a lot about industry. What industry would want probably more than anything is to see the bureaucracy cleaned up and the red tape reduced. All industry would need is an understanding on the part of the government to help it just by eliminating or reducing the bureaucracy. But what do we see? We see a lack of co-ordination and co-operation by different parts of government, both federal and provincial, but to a large extent the provincial government.

There is no way in this day and age that, for example, one is going to see business people coming to the province of Ontario to set up businesses. They are frightened because of the government's attitude. They see the government as being the enemy of business. Why do they do that? It is not because the government said it wanted to be the enemy of business, but because what the government has been doing has made it the enemy of business.

What is lacking here is a cohesive plan on the part of the government to address the questions of deficit and debt. We do not see that cohesive plan.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I appreciated my colleague's comments and particularly those he made with respect to tackling increasing crime and how moneys might be saved in doing so. In the area of education, the member made some fairly insightful comments. I think they are extremely useful and we need to look at them.

I just wanted to make two points and then perhaps ask him to comment. Just a moment ago a colleague from the government side said we are always condemning government and never give it credit.

[*Translation*]

That is not quite true. We did admit they made some headway in controlling inflation, but we also had some questions. And the most important question is: at what price?

[*English*]

I just wanted to correct the record. When the government does have successes we are prepared to note them and we have done so.

I was wondering if my colleague might want to elaborate on the use of education, training, retraining, research and development in economic development. Perhaps as well he would like to comment on the following.

When this government came to power in 1984 the total debt accumulated since Confederation was almost $168 billion. Almost nine years later it is in excess of $450 billion, well over twice. I have that from a signed statement from the former Minister of Finance. That is in spite of almost 40 tax increases and a revenue increase from about $70 billion to $130 billion. The government has almost doubled its revenue so that makes it even worse. It has had this huge increase in revenues, and in fact it would have been greater if it had not caused the recession.

I wonder if my colleague would care to comment on any of those points, please.

• (1425)

Mr. Harb: Madam Speaker, one of the reasons inflation is so low is that people do not have any money. The unemployment rate has hit the roof. It is well over 10 per cent to 11 per cent and in some regions it is over 25 per cent to 30 per cent.

I would have liked to have given the government credit for that. I am sorry but I just cannot because that was not as a result of a cohesive plan. It came by fluke.

Simply put because the value of the dollar is so high, there are so many people out of the work force. It is to the point that if stores close down there will be zero inflation. Nobody has money to spend and nobody is working. There is chaos everywhere. Bankruptcy has hit at an all-time high.

We talk about tough economic times. My gosh, we have seen what has happened in the past two and one-half years or so. Definitely, if anything, what should have happened is that the government should have moved forward with a proactive plan like our leader. He came up with a cohesive plan with investments in infrastructure and investments in capital projects. Every country in the western hemisphere and all of the G-7 have a cohesive plan that deals with the question of infrastructure, investing in roads, bridges, sewage treatment plants and so on.

What we have seen here is a new park and the government throwing a couple of million here and there and calling it an infrastructure plan, when the provinces have said they would participate in a national plan. We would create in a matter of three years over 100,000 jobs as a result of that. That is what would revitalize the economy. That is one way there can be a spin-off benefit. For every dollar that is spent we would get $5.

It does not take a genius to answer that part of the question. It has been proposed and suggested by our party and our leader.

Madam Deputy Speaker: There are only 45 seconds left.

Hon. Doug Lewis (Solicitor General of Canada): Madam Speaker, I believe my hon. friend was involved in municipal politics when the Hon. Paul Cosgrove, the Liberal minister of housing, shut down in the middle of the 1981-82 recession, any federal government involvement in municipal infrastructure.

Since that was done by a Liberal minister of the crown at the time and he has since gone to his great reward as a federal judge, I wonder if my hon. friend would explain to the House what representations he made as a municipal politician to the Liberal minister of the Crown at that time?

Mr. Harb: Madam Speaker, I was not in municipal politics then. There is an act in the housing department for the minister to check. It is already on the books. We do not have to reintroduce a new act. We just have to do it through the existing act which is at CMHC right now.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, for the benefit of the Solicitor General, I was here in 1984. If he wants me to answer that question, I would be pleased to.

The situation was this. An agreement was signed with two provinces prior to the 1984 election to phase out what was called infrastructure funding under the Central Mortgage and Housing Corporation. When the Tories took over in 1984, the remaining provinces were then convinced because the Tory government said it could no longer afford the 75-25 formula. It was the one that cancelled that particular agreement.

If the Solicitor General had been listening to both of the members from Ottawa who were speaking a moment ago, he would have learned something. I quote the member correctly. One of the members said: "There is $22 billion interest that goes outside of Canada on this debt, this borrowing, and that $11 billion is given up in taxes on that because it is not being borrowed from Canadians". This a borrowing bill. The government wants to borrow $31.5 billion today.

If the Solicitor General had been listening, he would have caught on to what these two members from Ottawa were saying. It is this: The difference between the Liberal government in 1984 and the Tories who took over in 1984 is quite simple. One borrowed from itself, the other borrowed from foreign nations.

• (1430)

In 1984 nine per cent of the total debt of Canada was owed to foreign investors. Today that figure has mushroomed to about 26 per cent of the total. The latest figures show 25.6 per cent and now I imagine it has gone up to 26 per cent. If one is going to borrow money it is better to borrow it from oneself than from Household Finance, is it not? If one is going to borrow money it is better to borrow it from one's mother than the Bank of Tokyo, is it not?

At least if one borrows from oneself through Canada Savings Bonds or the Canada Pension Plan, one is borrowing from Canadians who are willing to invest in Canada and one sets one's own interest rates. The Canadian government sets its own interest rates on the kind of money that is borrowed and it can also under certain circumstances decide on the repayment schedule.

What caused the Canadian government to create a situation in which at this very moment 38 per cent of all government bonds are held by people in Japan? In other words, when the Bank of Tokyo says jump the Minister of Finance says how high.

In this country the debt has more than doubled. The government has set up special teams of people to try to get money out of ordinary Canadian citizens. It set up a special team the other day with regard to the Canada student loans plan to try to collect what it said on the record were debts owed back to the sixties. It is a strange thing today for people to fill out their income tax returns and then be notified they cannot get the rebates, the Canadian government owes them, because it believes they owe Canada student loans from 1960. The people do not have any records from 1960. Neither does the law firm that perhaps acted on behalf of the government or the collection agency that probably bugged them to death at that time. That is what the Government of Canada is doing.

While it is cutting back on this, cutting back on that, and increasing taxes, what is it doing in the House of Commons? It is borrowing $31.5 billion today, this is Friday, and what is it doing Monday? What is happening Monday in this House? Guess. No, it is not borrowing on Monday, it is bringing back Bill C–92. That is the bill that, if we can trust the words of the dean of law of Victoria university quoted in the paper, a tax expert here in Ottawa and the associate dean of Osgoode Hall who appeared before the committee last week and if we can believe the columnists who have written in the financial papers, it is supposed to be the biggest give-away, according to them not me, to the wealthiest people in Canada perhaps in Canadian history. Billions of dollars are being put off—

An hon. member: Oh, oh.

Mr. Baker: The hon. member is grumbling over there. Let him grumble with the deans of the law schools and the financial experts. Let him grumble with the people who appeared before the committee. Let him grumble with the finance department officials who came before that committee and said: "We do not know how much money is being affected here. We do not know how much money is in trusts in Canada". We do not know how much money, and we are passing a bill to again delay the paying of taxes for another 40 years? We are doing that while we borrow $31 billion, while we bring in the GST and tax everybody to death, and while we have 36 tax increases in the last eight years?

• (1435)

Then we turn around and, according to the experts not the politicians, give the biggest tax break ever to the billionaires in Canada in our history. Make no wonder that the one sentence that the Prime Minister repeated in his speech was about how healthy the finances of the Conservative Party are. He took off his glasses and he even repeated it before the cameras. He talked about how healthy the finances of the Conservative Party are and about how he was leaving it in a very healthy position. It is too bad he did not leave the Canadian country in a healthy financial situation today.

Make no wonder the big contributions are coming in to the Conservative Party of Canada today. Make no wonder it is the richest party on record in the history of this country. Of course it is. It is no wonder when we examine the legislation that is going through this House today, which is the legislation that the experts say is the biggest giveaway to the 20 or so billionaires we have in Canada, the biggest giveaway in our taxation history.

Governement members ask where we are going to get money. How about some of those people, and the numbers have doubled, making over a quarter of a million dollars a year who pay zero income tax in this country? How about some of those? That is not from business losses.

How about some of those making over 200 grand a year who are getting the GST rebate? Figure that one out. There are about 100. I suppose they would need about 100 children under the age of 18 to do that.

As for the two standards, one is saying they do not have any money so they have to borrow it and increase our taxes. The other is bringing legislation before this Chamber to help out just a tiny group of people. That is according to the deans of law and the tax experts in this country, not according to the politicians.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism): Madam Speaker, I am always entertained by the hon. member's comments. I am delighted that I was able to get into the House to hear what he had to say.

I was disturbed by the content of what he said and I want to say that as an economics lecture this presentation we just had was totally misleading, although it was a lot of fun.

As a matter of fact, in the American basketball championships we are apparently down to the final 16 and it reminded me a little bit of these basketball coaches we see on the sidelines waving their arms around and so on. It is a lot of fun watching them but I do not know whether there is any content to it. It is really the players out there who are scoring the baskets.

What disturbed me about his comments was that he was completely misleading when it came to the debt. I think he believes profoundly in what he just said so I want to turn him around and see if he will confess to not understanding, and after listening to me perhaps he will understand exactly what happened.

He said when the Liberals were the government they had a $220 billion debt and they were able to fund it internally through Canada Savings Bonds and Treasury Bills. Through Canadians more or less buying the debt we kept the money funnelling within Canada. That was his basic argument and he is quite right. About 90 per cent of our debt was funded internally, and about 10 per cent of it was denominated in foreign currencies: Tokyo, New York, Europe, wherever.

Then he argued that what has happened now with the debt, which has occurred since we have been the government, is that we have had to go outside home, outside the household and get other people to finance our debt. That was his argument.

I want to tell my hon. friend that the reality is that when we borrowed $220 billion at home until 1984 to finance the excesses of the Trudeau government during very good times we had reached the limit of our capacity to borrow at home from Aunt Nellie, Uncle Oscar, mom and dad, and brother and sister. We had reached the limit. That is what happened. The trouble was the previous government had put all sorts of people on the payroll, had all sorts of projects under way and left us with a $38 billion deficit in 1984 alone.

• (1440)

If we had come in and the next day decreased that to zero then hundreds, thousands of people would have been left without jobs, projects, and contracts. Therefore we could not turn that around all in one year, so we have tried to decrease the deficit steadily. In fact in 1993 it is now half the size of what it was in 1984 in relation to the size of the economy. It is very important to remember that $38 billion in 1984 was in a pie, called the Canadian economy, half the size of the pie we now have. Therefore a $30 billion deficit is half the size of what it was nine years ago.

Here is the point. We have had to borrow offshore in order just to pay the interest on this home debt that accumulated until 1984. As a matter of fact, that is all the deficit is. We have really been paying for interest on the debt we inherited, and that adds up to today's deficit. With our own operations we have run a surplus. By running a surplus on our own operations we are able to pay down the deficit even more than we would if we just broke even. The hon. member has to realize the reason we have had to go offshore to finance our debt is because we have reached the limits of financing it only internally.

Then he mentioned interest rates and said when we are financing internally we can set our own interest rates. No economist believes that. We have always had to maintain interest rates internally, the same as they are internationally. My hon. friend knows that and I think he should go back to economics 100 and have the reality clarified for him. I am making this intervention so he can respond to it. I always look forward to his responses, but I hope he stands up and admits he made a fundamental error in understanding economics.

Madam Deputy Speaker: I will allow the hon. member some time to answer.

Mr. Baker: Madam Speaker, if I understand the hon. minister correctly he said, to use his words, that we had to go outside of the family. In other words, we had to go outside of Canada because Aunt Nellie does not have any more money. We have reached the extent of Canadian borrowing. Perhaps it is because Aunt Nellie does not trust the government anymore. Aunt Nellie and many more Canadians are investing in bonds in the United States. They are investing in all countries throughout the world and the minister claims there is no more money left in Canada.

One further thing, to clear up this business of credit. Standard and Poor's announced its most recent credit rating for Canada. That is on paper money. Granted, we do not borrow much in that form but we dropped. The province of Ontario with an NDP government now has a negative rating. The province of Newfoundland, supposed to be the poorest in Canada but now with a good Liberal government that knows where it is going, is now positive.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I am delighted to have the opportunity to say a few words on this borrowing bill.

I wish we could get our statistics right. I have a written, signed statement from the former Minister of Finance, the Minister for International Trade, indicating that at the end of fiscal 1984 the total accumulated debt was less than $168 billion. I like that signed statement so much I have circulated it throughout my riding. Why did I circulate it throughout my riding? I did so because government members have a tendency to inflate that figure in order to make themselves look better.

Either the minister did not tell the truth or he told the truth, and I believe he signed a true statement. It was less than $168 billion, the hon. minister said so. He signed it.

Let us look at the situation as it is today. We say the deficit is much better than what it was. It was predicted to be less than $30 billion. It is in excess of $30 billion. The debt now is over $450 billion.

• (1445)

Our colleagues from the government would like to make us believe that if we took that less than $168 billion debt in 1984 and factored in the interest, it would now account for the debt today. It is not true.

I have had three independent sources do that and it is absolutely totally false. It is only recently that the government has been spending in such a way that their program spending is less than what they take in so I think it is very important.

A point that is often forgotten is that there have been almost 40 tax increases and the revenues of government used to be approximately $70 billion. It is roughly $130 billion and that would have doubled if it had not made a major fiasco of its economic policy, if the recession had not set in and if the GST had yielded what it thought it would. However there has been almost a $60 billion increase. We have to look at that.

We have to look at how much more money is being made today and not just the increase in the debt. If we look at how much more it is making today and how much more that debt has in fact increased over time then how can it possibly stand up there and pretend and say without blinking an eye that it has managed well?

[*Translation*]

Let us ask Canadians whether they think this is good management. The Conservatives came to power with a debt of less than $168 billion and revenues of $70 billion and today they have a debt of $450 billion and have nearly doubled government revenues. Is that good management? Certainly not.

[*English*]

Their financial predictions have been off time and time again.

[*Translation*]

If they are fair, and some of them are, my hon. colleagues will admit.

[*English*]

The government boasts of the control of its expenditure levels, particularly of late. It tosses out these figures of 2.4 per cent and up. These figures are probably correct. I have no reason to doubt they are but one must ask how this came about. It was by cutting back transfer payments to provinces. That has been one major way. It was with the clawback and with the eradication of certain universal programs.

Let us look at the reductions and cuts to health and education. Between 1986 and 1995 there will be roughly $30 billion fewer dollars for health and education: $20 billion less for health and about $10 billion less for education. That was put on the backs of the provinces and the provinces put it on the backs of the universities, the colleges and the hospitals and the taxpayers.

It is the same as if I were to say: I have debts.

[*Translation*]

I could go home this evening, and tell my wife and children: "We are going to divide these debts in two. You take half." Then I could start telling everyone: "I liquidated half my debts." Of course I did. I shifted the tax burden to my wife and children.

The government shifted the tax burden to the provinces, colleges, universities and hospitals. That is what happened. That is why it can say, with some measure of truth, it controlled costs.

[*English*]

I have a final point. I know that some other colleagues want to join in the debate and I am looking forward to the questions. In fact I would be delighted to receive the questions.

The government has undertaken cuts in a number of areas that I think are very serious: seniors' programs, official languages programs—*les langues officielles*, women's programs, programs for the handicapped and programs for aboriginal peoples. These are some of the groups that are the most powerless in society and I am offended by that kind of approach.

[*Translation*]

I will conclude my speech, because I think some of my colleagues would like to ask some questions and I would like to answer them.

I think there is an hon. member on my left who would appreciate the time to make some comments. Provided he does not pick on the Liberals, I would be glad to share my time with him.

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Privy Council and Minister Responsible for Constitutional Affairs): Madam Speaker, I do not understand why the hon. member says we cut transfer payments to the provinces. If we look at the government's record from 1984 to the present day, transfer payments have increased annually. They may not have increased as fast as the provinces would have liked, but they did increase.

We must not forget one thing. I have been listening to the debate since we started this morning, and they say we need a job creation program based on public works, because it will generate jobs.

• (1450)

Where is the money supposed to come from? We must not forget, while we sit here as members of the House of Commons in our well appointed chamber, that the taxpayers are sitting in the gallery. If we do not tax them at the provincial level or the municipal level, is the federal government going to tax them? Come on. In the end it is still the same taxpayer who watches us on television. When we have financial problems, the federal government has to tighten its belt and the provinces have to do the same.

A few years ago the government of Ontario thought it could deal with its financial problems by running up a horrendous debt. In the process it created a demand for dollars on the international market because it had to borrow. The money came from countries like Switzerland and Japan. This put pressure on money markets and had a negative impact on the economy. And the same taxpayer is still paying the shot. If public works or students do not pay back their loans and we have to do it for them, the federal government gets the money from the taxpayers, who do not want to spend that money on their education or pay their municipal, school or provincial taxes. We will have to give them a break sometime.

Mr. Duhamel: Madam Speaker, I definitely want students who have a job and have the money to pay back their loans. I want to make that absolutely clear. I asked a question in the House today about what could be done for students who don't have a job and who are being harassed by collection agencies that are trying to recover this money.

An infrastructure program has been proposed by the leader of my party. If these people were working, if I am not mistaken, it would pay them about $17,000 or $20,000 per year. If these people on unemployment insurance or welfare were put to work, they would pay taxes, contribute to the economy and not be a drain on the federal Treasury and other resources.

I would like to refresh the memory of the hon. member who is very fair and explained more or less that what I call a cut is actually a reduction. I can live with his definition, but on this Friday afternoon when the sun is shining I would like to say, with all due respect for the spirit of friendship within these precincts, that the Prime Minister of the party in power today said several times that he would never tamper with the transfer formula. But he did. Yes, it is right there in his public speeches. Not only did he tamper with it, he reduced it by 2 per cent and again by another percentage point. He froze transfers, and this has been a real nightmare.

[*English*]

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I am pleased to be able to join in this debate for the last seven or eight minutes of the time that is allotted to this debate. I have been listening to the debate for most of the day. I am always amazed to see the Liberals and Tories ram heads with one another over who is going to provide the best economy and who will be the best economic managers of the state.

The fact is that neither of them has done what anyone would call an admirable job. Certainly to be more realistic they have done a disastrous job of handling the economy.

It has not been the New Democratic Party in power that has run up a debt of some $420 billion, which is soon to be $451.5 billion as we pass this borrowing bill in the next few days. As I stated earlier in the day I am always surprised when I hear Tories and Liberals saying how the New Democrats cannot manage or handle an economy. In fact we have not created the problem in this country at all.

• (1455)

I am from a province that has been one of the hardest hit during these economic times and certainly over the history of this country. Saskatchewan has suffered dearly. When the CCF government of Tommy Douglas came to power in 1944 it was a time when the province could not even borrow a dime. It was the CCF, the reigning socialists, that brought the economic situation in Saskatchewan under control and provided opportunities for farm families, small businesses and education. It was Tommy Douglas who modernized the province of Saskatchewan. It was not the Liberals. It certainly was not the Tories. The record is very strong.

We lost power in 1964 and the Thatcher government took over. Ross Thatcher's Liberal government was in for seven years. Although it did not do as much destruction as the Devine government did later, it still left a mess.

The Allan Blakeney government came into power in 1971 and was in power for some 11 years. During that period Saskatchewan saw some unprecedented growth in that province. In fact it was in 1981 when Diane Francis—I am not sure which columnist it was but it was certainly one of the columnists on the right wing of the political spectrum—made a comment that the New Democratic government in Saskatchewan was not only the best managed government in Canada but was the best managed government in North America. It was a well run government and it was done on social democratic principles. He did it with a surplus budget besides that.

What happened in 1982? The Tory government came in under Grant Devine. People made ridiculous comments: "There is nothing wrong with this economy. One can afford to totally mismanage the Saskatchewan economy and still break even". That is what Devine said. He ran a deficit budget every single year he was in power. In the meantime he sold off Crown corporations, sold off provincial assets and cut funding to all types of organizations that were trying to help the disadvantaged and the poor and so on in that province. That was the Devine record.

When the Roy Romanow government took over in 1991 it had a situation that was a disaster. The province was $15 billion in debt. There were 980,000 people to pay off a $15 billion debt that was created almost exclusively by the Devine government that was supposed to have managers and Tories who could manage the economy. He has a masters degree in economics. My God. What a disaster.

Now the Roy Romanow government in power is faced with some very difficult situations. It is this government that has faced up to the fact that if the deficit is not cut in the province of Saskatchewan then we simply will not be able to borrow money. In fact we are so close to the precipice that in fact the federal government has put in a contingency plan in case we cannot borrow money.

The Roy Romanow government has cut the deficit from $980 million from the last year of the Devine government to $590 million last year. It is going to cut it to $390 million this year. In three years it is going to have a balanced budget. This is being done by the socialist hordes and the people who cannot manage an economy.

One simply has to look at the Saskatchewan government for an example of how to manage an economy. Even the Deputy Prime Minister has given some credit to Roy Romanow.

We have not been doing it the same way that right-wing Liberals and Tories have managed it. We have still managed to put money aside for the socially disadvantaged. We have actually increased payments to social assistance in Saskatchewan. We increased funding for a child hunger program. It is not enough. I must say that I have been critical myself of some of the things the provincial government has done but it is certainly miles ahead of anything any Liberal or Tory government has done in this country. It provided increased funding for low income seniors and it increased home care funding by 20 per cent. It has increased foster care rates by $2 million.

It set out a situation where it had some modest tax increases this year. It was not income tax. It has said that there will be no more tax increases unless of course the government decides to do some more off-loading on to the provincial government.

I sit here in the House and hear Liberals and Tories banter back and forth about who can manage the economy better.

I would say that both of them have set really poor examples. Neither of them has a very good record on handling the economy. I think both these members on the government side and members on the opposition side would do well to take a look at Saskatchewan and its economy and take some lessons from the Saskatchewan government, which is not perfect but is certainly way ahead of anything I have seen on either side of this House or in any other province in Canada.

Madam Deputy Speaker: It being three o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

POSTAL SERVICES REVIEW ACT

MEASURE TO AMEND

Mr. Don Boudria (Glengarry—Prescott—Russell) moved:

That Bill C-217, an act to provide for the review of postal rates and services and to amend certain acts in consequence thereof, be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Madam Speaker, I am pleased to move Bill C-217 in the House of Commons this afternoon. I am happy to see the member for Manicouagan here in the House. He also represents a rural riding. I also see the member for Beauharnois—Salaberry. They will understand the need for such a bill.

Why do we need Bill C-217? Let me indicate what others said in the past.

[*English*]

I want to quote from a press release dated June 27, 1988 which says: "Setting up a system that gives Canadians a voice in the planning of postal rates and services is an idea whose time has come". I quote further from the same person: "Now that Canada Post is breaking even", as it was at the time, "and revenues are coming out of the pockets of postal users, customers have a right to a say in both national and local issues".

Do you want to know who said that, Madam Speaker? It was the government House leader of today. If the government House leader, for whom I have such respect, said this was right I know it has to be right because the member for Calgary Centre would certainly not lead us astray on an important matter such as providing this kind of a service to Canadians.

When the minister made this announcement on June 27, 1988 he did so with great fanfare, telling us how important it was for Canadians to have a postal services review committee.

On August 15, 1988 the then Minister of Consumer and Corporate Affairs, today the government House leader, introduced the Postal Services Review Board Act. I must confess something here. Bill C–217 that I have introduced today is plagiarized. Yes, I know that it is a sinful thing but it is, word for word, the bill that was introduced by the now government House leader, the then consumer and corporate affairs minister.

Therefore the government across the way cannot say this bill is unreasonable. The government cannot say this bill is undesirable or unworthy of support, not after the quotes from the government House leader that I read in the House earlier today.

Why do we need a structure like that, apart from the reasons just invoked, that the minister said was a good idea? We need the bill because Canadians need to have an agency to review the activities of Canada Post. The government across the way tells us Canada Post is a Crown corporation and it cannot interfere with its operation. On the other hand, Canada Post has by law of this Parliament a monopoly on many of its services. The government does not control it by its own admission. Canada Post has a monopoly on first class mail and has a monopoly on many of the services it offers.

• (1505)

We have in effect an unregulated monopoly in Canada right now. That is wrong. That is not the fault of the employees and many of the officials at Canada Post. That is an error in judgment on the part of the government. That is why we need an agency of the Government of Canada, an agency of the taxpayers of Canada to oversee the operations of the post office and to provide the post office with some direction.

Let me give an example of one of the things that I find wrong. I received a letter just today. I finished answering the correspondence at the back only moments ago. A female constituent from Maxville, a senior citizen, wrote to me saying roughly the following: "Mr. Boudria, I live in a rural area just outside the village of Maxville. I used to get the postal box for $6.10 a year. Now they charge me close to $60 for the rental of that postal box. It is wrong".

I had a conversation with her and explained to her that Canada Post looks at it this way: "You are given an opportunity to have mail free at your gate if you want to install a box there". The lady quite appropriately answered: "What good does that do me, as a person living alone, a woman and a senior citizen? Am I going to go out there and shovel snow or put the mailbox back on the post when the snow plough knocks it off in the middle of winter?" That is not a reasonable thing for that person. Yet those rates for the mailboxes are approved with the input of no one.

The price of stamps goes up every year. It is approved by Order in Council of the cabinet. Four ministers sign a stack of these every morning and then it is gazetted with no input from Canadians at all. That is not right.

Then there is the whole issue of cross–subsidization. I brought proof to a parliamentary committee some years ago that Canada Post was using some of its monopoly revenue to cross–subsidize other services that it offers in which it is in competition with the private sector. That surely is not right.

It is wrong for two reasons. First of all, why should someone who is paying for a postage stamp be subsidizing some bigwig at Canada Post who has it in his mind that he wants to start up a new business for whatever reason? Why should we do that? Second, it is not fair for the competitors of that service.

Here is the instance I discovered about a year and a half or two years ago. I found evidence that Canada Post was sending letters to its customers, large mail users, saying roughly the following: "Fill up your postage machines now. In filling up your postage machines we will give you credit vouchers to be used for Priority Post courier". The courier service of course runs in competition with private enterprise and it is unregulated. By encouraging people to buy large amounts of postage stamps to load up their postage machines in their offices, some of the revenue of that was used to cross-subsidize the other. That cannot be right. There is no agency to review this.

Canada Post needs a form of CRTC of the post office. Maybe the member across does not think that is necessary. That agency exists in the United States. There is a watchdog to review its postal service.

• (1510)

With the present unpopularity of our Canadian postal system in Canada, if there were no other reason, that alone would be sufficient reason why we would want to avail ourselves of the kind of agency I am suggesting.

More than anything else, the Marchment committee report some years ago recommended the creation of such an agency. The Marchment committee report recommended in 1985 the creation of an agency like this.

In 1988, as I said, the Department of Consumer and Corporate Affairs announced that there would be a third party review of Canada Post Corporation's rates and services.

I brought to your attention that on June 27, 1988 the minister responsible at the time indicated that this was "an idea whose time has come". Finally, on August 15, 1988 the minister actually introduced the bill, a bill which is identical to the one I am proposing to the House today.

This has been an idea heavily promoted by the Conservative government with the support of all parties in this House. Yes, some of us said we wanted the bill that the government proposed to be a little stronger and so on in order to ensure that it had all the strength possible, but we were in favour of the idea.

What this House may not know is that the postal services review board, as proposed in this act, actually was constituted and its first chairman was Mr. Alan Marchment. It was called the Postal Services Review Committee as an interim step until the act was passed. It even reported to a committee of this House.

I have in hand the February 6, 1990 report of Alan Marchment, chairman of the Postal Services Review Committee, to the House of Commons Standing Committee on Consumer and Corporate Affairs and Government Operations. It is quite a lengthy report in which he recommended a number of improvements to Canada's postal service.

What did the government do? In the next budget after that report, it cancelled the Postal Services Review Committee. I have to ask the question, why? Could it be that the committee told the government what it did not want to hear? Could it be, I ask the parliamentary secretary who I see waving to me, that the government did not have the money to continue it? If it did not have the money, why did it create the thing to start with? It was in operation for only a year.

Postal users pay a lot of money for their postage stamps. Are they not entitled to have a say? Right now they do not have any.

Here is the recommendation of our committee in April 1990. The Consumer and Corporate Affairs and Government Operations Committee of the House of Commons in its report "Moving the Mail" said, and I quote here from our report: "The committee also believes that it is necessary to balance the interests of the regulator and the corporation by supporting both the review agency's need for information and the corporation's need for protection for commercially sensitive data. At the same time, we are of the view that as much information as possible about postal rates and services must remain in the public domain".

We even made recommendations about how much information Canada Post had to give to this committee. I continue: "The committee therefore recommends that anybody exercising review powers of Canada Post have legal authority to compel Canada Post to provide all information necessary for it to conduct an effective review in accordance with its mandate. Secondly, while ensuring that as much information as possible remain public, provision be made where necessary to allow the review agency to receive information from Canada Post in confidence".

This is a recommendation that received the unanimous approval of a committee of this House.

• (1515)

I say today to the government that it should speak in favour of the bill, provide its unanimous consent to allow the bill to go to a legislative committee for review and enactment as soon as possible.

I ask this of our colleagues across the way. They know it is the right thing to do. They know such a structure exists for other kinds of monopoly services in Canada. They know such a structure exists for postal services elsewhere in the world. They know the same bill and the same structure have even existed under the present government.

I ask them to do for once what Canadian consumers want, to stop this nonsense, stop their partisan way of looking at things, and think of the best interest of the Canadian consumer who is paying handsomely for postal services that are administered in an arbitrary and sometimes most unfair way.

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Madam Speaker, I come to the debate today with some different feelings. I have as much concern for the post office service in Canada as the member for Glengarry—Prescott—Russell, but I also see the other side.

I came here today with strong feelings about the bill. Yet the member's argument has been quite persuasive for me in terms of the many viewpoints. The history of the situation intrigued me. At one time the government proposed a board, had a board and ended that board's life. In fact the party the member represents today at one time created the new independent post office structure on purpose so that it could compete in the communications area freely and without government intervention.

In spite of the argument of the hon. member for Glengarry— Prescott—Russell I propose that we do not support the bill today. Canada Post is one of the major players in the communications field. If we put on more regulations that increase costs and create obstruction we will simply curtail its ability to function in the interests of the Canadian economy and Canadian businesses.

Most members will recall that in 1981 the previous government, with the agreement of all parties, converted the old money losing post office department into a Crown corporation. At the time the minister of the Crown of the day, the member for Papineau—Saint-Michel, emphasized that the independence of the management of the new Canada Post would be one of the most important elements of making the new organization successful. As reported in the *Debates* for April 9, 1981, almost 12 years ago, he said at third reading of Bill C-42:

> The Canadian public will be getting a better service and, above all, management will have a chance to give a full measure of their ability knowing that they are in full control of the situation and that they do not depend on decisions in other departments in order to provide an efficient management of the Canadian postal service.

It interests me that the hon. member speaking for his party today, or perhaps it is just for himself in Private Members' Hour, has taken a contrary stand to that of people in his own party 12 years ago as much as perhaps we have done in the time since the board has been in place.

The former minister also dealt directly with the question of setting regulated rates for postal services. He appeared to be quite satisfied, and apparently members on all sides of the House on that day were as well, that the arrangements in the legislation for establishing rates would allow for an adequate public input. The legislation which still exists to this day provides for a six-month notification of proposed changes. New rates are published in *The Canada Gazette* for everyone to see. Interested Canadians can forward their comments directly to the minister responsible for Canada Post. They take advantage of that right to a great extent. It may be because they are not effective in overturning the rates that they do not feel their requests are heard but I know they are. Certainly I see them coming through my office. Cabinet must still approve the rates. It is not totally done by the post office. There is an elected group of people who make decisions and exercise final control over postal rates.

• (1520)

The level of review of Canada Post rates at this time is already extensive. The hon. member now believes it is necessary to remove Canada Post's independence. He said in his opening statement that Canada Post was unregulated. He wants to impose more regulations. He wants to make it more difficult for Canada Post to function. In present circumstances his idea is not warranted.

The result of removing the management of the post office from interference by government has been to generate positive benefits for Canadians. We do not want to go back to the time when every postmaster was appointed on the recommendation of a member of Parliament. I understand there was one small community in the east coast represented by a Liberal cabinet minister of many years ago which had five postmasters for one town of 1,500 people. We do not want to see that kind of thing happen again.

Let me say a bit about the positive accomplishments of Canada Post. Hon. members are aware, because they will have been mailing many letters back to their ridings and perhaps across Canada, of the quick turnaround right now in Canada Post. We have had episodes since 1984 when I was first elected of it taking 10 days to get a letter to my riding in the centre of Ontario and 10 days to come back. It was a 20–day turnaround. Now the turnaround is so quick I almost wonder if the first letter ever went out. I will write it on a Monday, mail it to my riding and have an answer back in my office on the Hill before the end of the week. That is a very common occurrence.

Once in a while one or two letters take off or a bag of mail gets hooked up and those hit the headlines. The service from Canada Post for first–class mail has been very good in the last few years.

Postal rates have gone up, when measured in absolute terms by hours of work. The cost of a stamp compared to relative costs in other parts of the world is among the lowest in the industrialized world. This is a definite competitive advantage for Canadians.

On the labour front we have had many occurrences of difficult labour–management negotiations. Canada Post and major unions representing all the employees have signed settlements which will run for the next several years. We are into a period of calm and quiet where delivery can be the main objective of Canada Post.

Following several decades of losses in places where we had to pump in money to keep it going and where the general taxpayers as a whole covered for the users, Canada Post is now in a positive cash flow. Some of the money put in to cover deficits in the past is now returning to the Government of Canada. While doing this Canada Post has found new and innovative ways to expand service and make postal service available and affordable to more and more Canadians.

The hon. member might, through this legislation, take us back to the days when Canada Post was a department of government and introduce again the level of political interference which I spoke about a little earlier. The deliberate arm's length relationship with management as envisioned by the former minister might be destroyed if this legislation is brought in. A return to the old ways of doing things is simply another reversal of policy and an attempt to establish another level of costly bureaucracy.

I do not think the hon. member recognizes that competition in the marketplace has also been very influential in the progress Canada Post has achieved. I am told by constituents that because of electronic communication the post office is dead. Despite that, the amount of products delivered by the post office seems to increase yearly. Direct competition for parcel, courier, faxes and other products has forced the post office ahead. Technological electronics and the communication field have had a positive impact in motivating Canada Post to improve in all areas.

Canada Post competes and competition forces improvements. It has a stronger effect on its service than any board that would delay decisions and bring in committee style management could ever hope to introduce.

• (1525)

The member is proposing through this legislation to burden in this competitive field the business of Canada Post with the cost of a new regulatory regime. In trying to do this I am sure the committee would want to know the plans of Canada Post and in consultation with the board would expose the plans of Canada Post to its competitors. This would make it very difficult for Canada Post to respond rapidly to a changing market environment. The effect in Canada Post would be to eliminate it from competitive markets and increase the cost of postal service. The proposition is unfair and not in the best interest of Canadians.

Finally Canada Post has already seen the wisdom of consultation and has had a forum of postal services users express their concerns. The value to both the corporation and its customers is obvious.

The corporation decided to establish postal service customer councils. In preparing for this speech I learned about the councils today. I had not realized they were there. Perhaps that says they should be more prominent or more evident. I know through these councils, through approaches to members of Parliament which occur regularly, and through letters to the minister there is already an effective scrutiny of the tariffs charged by Canada Post. It also has a customer service initiative. Together with the 10 regional customer councils these are now a model for other Canadians companies.

Implementing the bill would be a step backward. The proposition of the Ottawa member would add a burden to the current postal services. It would not be in the interest of Canadians. Political interference, second guessing management, distorting competitive balances while adding unnecessary cost and bureaucracy are not conducive to a healthy and viable postal service for all Canadians. For these reasons I cannot support the proposed bill.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I rise to speak on the bill put forward by my colleague, the member for Glengarry—Prescott—Russell. I am the seconder of the bill.

Despite the comments of my worthy colleague from Perth—Wellington—Waterloo I am very much in support of the bill. I must say I have the greatest respect for that member. I listened very closely to his comments. I believe I detected in the thread of his presentation a certain willingness. If not to accept the major thrust of the bill, his preliminary comments indicated that he a certain sympathy. I do not know if these were exact words but certainly my impression from listening to him was that he understood where the member proposing the bill was coming from. He had certain affinities with the principle of the bill. Then he went on to say that because of government interference, political interference, and the possibility of regulatory agencies or review boards slowing down the service of Canada Post he could not support it.

I found that very difficult to understand. The organization is operating properly, professionally and with skill, alacrity and efficiency. The member gave it good accolades. I agree we do have complaints from time to time with Canada Post, but by and large compared with the postal services of other countries and their per capita expenditure relative to ours we fare pretty well.

That is not the point today. I do not believe there is any system in the world that could not be improved on. I believe that Canada Post can be improved on. I am going to give the reasons for the main principles of why I believe in this and why I feel the way I do.

• (1530)

I have had occasion, as I am sure every single member of Parliament in this House has, to deal with Canada Post on several issues. The most frequent and recurring one is the corporate plan of Canada Post to shut down 5,221 post offices, not in urban Canada, but in rural Canada.

I understand this year it plans to close down over 250 post offices and the principle being used is when a natural opportunity occurs. This means when the postmaster or postmistress of a post office serving the smaller rural communities is about to retire, the Canada Post plan is to bring in a system that will change the post office. It will bring in either retail post offices or supermailboxes as they are called. I think it is a terrible misnomer. I do not think there is anything super about them at all.

It is a paradox when the hon. member who last spoke said he was not going to support my hon. colleague's bill because of the possibility and fear of political interference.

If there is any time for a review board to have some authority and watch what is called the efficiency of this organization, it is called into here and I will give the reason.

The member says he is afraid of political interference. Only three days ago I received a response from Canada Post, a three-page letter in turn, responding to a request that I had made regarding a rural post office in my riding. It was going to close because of a natural opportunity. The officials came down from Canada Post in January. It was right after Christmas. They listened to what everybody had to say, paid absolutely no attention and went back and said they were going to shut the post office down.

I wrote asking them to hang on. I was looking for fairness and balance. The thrust of my letter was that in the area of the Prime Minister's riding there were five rural post offices in which the natural opportunity had come up. One served a community of 121 people. It had to go out not once but twice and it is still looking for a postmaster or postmistress to operate that post office. The hon. member has the gall to say he does not want to support this bill because fear of political interference.

Everyone can draw their own conclusions from that. If that is the principle on why the hon. member is not supporting my hon. colleague's bill, then I think it is a pretty weak principle. I think he is dealing from a very, very distorted deck of cards and as a fiddler is playing very much out of tune.

I have citations here. My hon. colleague has given me tons of substantiations. I could stay here in the House as long as I would be permitted and give the testimony of those people. Who should know better than members in the House that there is a need and a necessity for such a board? I am going to quote one and I believe he is an authority.

On February 6, three years ago, Alan Marchment, the chairman of the then Postal Services Review Committee made a statement to the Standing Committee of Consumer and Corporate Affairs and Government Operations of which my hon. colleague is a member. He said: "It is in the interest of the Canadian public to have a forum where rate and service charges must be reviewed publicly. As the relationship between Canada Post and the government becomes more arm's length, the need for a public return process increases". I understand Mr. Marchment is saying that if this kind of a review committee is implemented, the possibility of political interference will be reduced, not increased.

What is the purpose of the CRTC? I do not have its mandate here, but the purpose of the CRTC is to look at how radio and TV stations are licensed and to make sure the government cannot politically interfere. I am a great believer in democracy like all of us, but I have witnessed in the last four and half years the closure and time-allocated debates on important issues. We had one recently on the unemployment insurance bill. When we get the situation in our country with a majority like the present government has, it can use its ramrod and jackboot measures as long as it wants. Our political system allows it. There are no checks and balances that would prevent it from happening.

• (1535)

This is the perfect example of a Crown corporation that has been the subject of considerable, and I would say sometimes acrimonious, discussion in this House, in correspondence, in town hall meetings and in political rallies. It is an excellent opportunity for the government to show faith and to say: "Okay, we have nothing to hide. We are quite prepared to allow a review committee to be established to look into the rate and service charges". It should do this in order to dispel any rumours that perhaps the postal rates are subsidizing an aspect of Canada Post that by government order should be precluded because it is in fact in competition with industry. God knows, industry needs every break it can get today.

I am not going to quote what they said, but in addition to that man who has credibility and recognition in the area on which he commented, there was the Nielsen task force, a considerable task force in 1985, the second year of the mandate of this government and consumer and corporate affairs in 1988. They also made recommendations.

How did the government respond to some pretty authoritative people and authorities in making proposals which essentially formed the core of my hon. colleague's bill? In 1990 the government did away with the postal service review board. To top it all off, the minister responsible for Canada Post said: "Oh, I favour this hands-off approach regarding the closing of rural post offices and mail delivery standards and the like".

However, I want to say that because there is no review board or other watch-dog I am going back to Canada Post and saying: "In your very learned three-page response to my question you did not address the question as to why in the Prime Minister's riding the principle of natural opportunity has not been applied in the same way as it is being applied in my area and in others".

I want to conclude by saying that everything my hon. colleague says about this bill I like, but the defence of not doing it I did not like. It did not make any sense. In fact the remarks of the hon. member from the other side convinced me even more that we should all support this outstanding and very timely bill.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Privy Council and Minister Responsible for Constitutional Affairs): Madam Speaker, thank you for giving me the opportunity to address you and the Canadian people this afternoon on this bill presented by my hon. colleague from Glengarry—Prescott—Russell. I respect him a lot, although I cannot support such a motion for now.

I do not know what makes us politicians want to stick our noses into something that is going better all the time or going well, except to make political capital, even if it is only for as long as we speak in the House of Commons.

Canada Post had two important governmental decisions to make since it was created. When André Ouellet was the minister responsible for Canada Post, he made the first decision to privatize the postal system. It was a good decision.

Why did the government want to privatize the postal system then? It was to take from the House of Commons all sorts of decisions that were to be made about postal services and rates and other matters.

The other good decision about Canada Post was made after 1984-85, when the minister, Harvie Andre, told them: "Too bad, but starting now, you will have to cover your costs and come up with a corporate plan so that Canada Post will not depend on the government every year for the $200, $400 or $500 million you need to balance your budget".

• (1540)

One thing is clear, Madam Speaker. Why do we have postal services? To take a product and send it somewhere else at the lowest possible cost. Before, we would send the product somewhere else, but sometimes that was expensive and this was discussed in the House of Commons. Taxpayers watching us said there was no way they would pay 45 cents, so we told them we would charge 20 cents for sending the item and the government would subsidize the remaining 25 cents. It still came out of the taxpayers pocket, but that didn't matter.

Basically providing postal services means taking a product and sending it somewhere else as quickly as possible and at the lowest possible cost. In 1985 the government told the Canada Post Corporation that the lowest possible cost of sending a product to Vancouver, for instance, was the real shipping cost. In other words, do not count on the government to subsidize potential deficits.

Of course there was a risk because Canada Post was practically in a monopoly position and people were afraid it would become a monopoly and would make decisions without regard for the interests of the general public. However that was not the case. It did not become a monopoly, on the contrary. Personally I think that soon we will have fewer and fewer post offices, unfortunately perhaps in terms of the federal presence. Why? Because it is not a monopoly. Look around Ottawa or Montreal or other major Canadian cities and see the services of priority post as well as those of other companies being used every day. I am thinking of Federal Express, Purolator and United Parcel Service, and they even have aeroplanes with their own logo to carry the mail. There is no longer a monopoly as there was before.

Second, we now have fax machines. Some post offices could close altogether and use fax machines to send the same letters, provided the addressee has a machine as well. We no longer have a government monopoly, but a Crown corporation competing with other companies with different prices and costs.

We are still sympathetic to consultation, but consultation is not necessarily what people will do because the decisions made concerning Canada Post always lead to emotional situations. Just look at what is happening right near Rivière-du-Loup, where the people are rising up against Canada Post because it wants to close the post office. Any platform is good. If there were an advisory board to review this decision, I am not sure the debate would be more elevated or more dignified because it would be in the House of Commons.

The place to do it is in the municipality concerned. That is an excellent forum for it. That is the only place for someone supposedly defending the rights of that community to seek a party's nomination and stand for election. Federal elections will be held very soon. All that is good for visibility.

Advisory boards lead to consultations, which often arouse appetites that cannot be satisfied. People do not want consultation but participation.

I must take my product and send it at the lowest possible cost in the least possible time. When Canada Post became a corporation and was told to cover its costs, it understood one thing. It realized that to cover its costs, it must provide better service. They now have a prestigious independent firm, Ernst and Young, that conducts surveys every two or three months, I believe, to find out how satisfied Canadians are with the postal service.

• (1545)

Madam Speaker, it is a good thing you are seated because what I am about to tell you could be quite staggering. This survey showed that 98 per cent of the mail is presently delivered on time. That is good. In fact, it is great. This means it takes two days within the same town, three between major cities of the same province and four to reach other centers across the country. That is excellent and cost is factored into it. There are people who complain about the cost of stamps these days. There are still people in this country who want to be able to mail a letter for five cents. That is just not possible any more.

If you examine the situation in industrialized countries that have faced up to their responsibilities regarding their postal systems, you realize that the price in Canada is among the lowest for a service which is fast in most cases. Granted, there will be problems and it is those we always hear about. Inevitably some time, some place a letter will get lost.

Last week I received at home a letter completely torn in two, probably by the machine. It happened to me once in the eight years I have lived at that address. It was an accident. I could have brought that letter to the House and said: "This is outrageous. Look at what happened to that letter". In a sense I was happy because it was the electrician's bill and the part that was torn was the one showing the amount payable. I called my electrical contractor, Paul Bouchard, and told him: "Mr. Bouchard, I received a nice apology from Canada Post but your bill has been torn to bits. You will have to send me a new one". I received the new bill as well.

I live in Beauharnois, a small town with a population of some 7,000. The letter carrier service was granted to Beauharnois at a time when the town was developing. It is simply marvellous to have someone bring your letters home five days a week. Beauharnois was promised a great development and its population grew to 10,000 before it fell back to 7,000. Saint-Timothée, a town located five or six miles from Beauharnois, experienced significant growth during the last five or six years. It is now bigger than Beauharnois and wants letter carrier service and cannot get it. My time is almost up? I could go on for at least two hours. They cannot get the service. Do you know why I have the privilege to have mail delivered at my doorstep five days a week, and the people in Saint-Timothée do not? It is often because of what is written in collective agreements. I would be happy to receive my mail only three or two times a week and share the service with other people. But that is not how it works.

Advisory committees or committees such as the one we will be creating to review services which are becoming more and more competitive and challenged could improve matters. Also, and I will conclude with this, when the project was developed, we had the money to pay for it. Nowadays we do not have that kind of money and we can only afford to increase the service. Quality is what we will be judged on and Canadians will support us on this.

[*English*]

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I am very pleased to have the opportunity to participate in this debate. I want to say I am certainly in support of this bill put forth by the member for Glengarry—Prescott—Russell.

I have to take some issue with the member for Beauharnois—Salaberry who just spoke. I think that what he is saying clearly demonstrates his government's misguided view. Surely it is not going to be helpful to the people across this country, particularly in rural Canada. He talks about being from a small town of 7,000. In my riding I am talking about communities of 100, 200, 500, maybe 2,000. There was a time in this country when the post office was here to provide a service for Canadians.

• (1550)

That is no longer the case. It is here to make a profit. If the member thinks we should be having a—

Mr. Hudon: That's not a bad idea.

Mr. Laporte: He says it is not a bad but a good idea to run it at a profit. If we are going to have a progressive country that encourages competition and development there are some services that we need, certainly in places like Saskatchewan. Since this government has been involved with deregulation and transportation and with this attitude toward postal service, Saskatchewan has been suffering and businesses have been suffering in that province.

If we ran everything strictly on a profit basis there would not be anybody living in rural Saskatchewan because there would be nothing there to maintain them. It has been of economic benefit to this country to maintain a viable rural infrastructure in this country. One of the reasons this country has a problem now is because of the policies of his government that have caused much of the demise of rural Canada.

Just to make some comments. He says that it cannot afford the services. Canada Post is making a profit these days. Canada Post has come to communities in my riding and said it is going to give them better service. It is going to close their corporate post office and, although it says it will consult, they either get a retail postal outlet or green boxes.

Communities have told me that if Canada Post wanted to come into their communities and break even they would have been willing to work with it. Briercrest said it did not need service six days a week. It gets its post six days a week and would take it five days a week if it would then break even. The town of Simpson in my riding offered Canada Post a free building if it could keep its post office. Communities have offered the help of volunteers to assist the postmaster or postmistress. Canada Post has refused them all. That is because it is not interested in providing service for Canadians, but in selling Canada Post. That is what it is interested in doing.

If we are going to allow it to be taken over by a private corporation that is going to run it at a profit then it is not going to have post offices in many areas of rural Canada pure and simple. That is because it is a business that is there to make a profit. I understand that is the hon. member's view. If that is his view, I submit if we are to have a healthy economy that is going to develop and allow businesses to establish and communities to maintain themselves and grow then we need some services. It should be the responsibility of this government to provide those services.

I want to speak more specifically to the bill itself. The idea of setting up a services review board was introduced by the then Minister for Consumer and Corporate Affairs, the government House leader, who said in a news release back in 1988: "Setting up a system that gives Canadians a voice in the planning of postal rates and services is an idea whose time has come. Now that Canada Post is breaking even and revenues are coming out of the pockets of postal users, customers have a right to a say in both national and local issues". I agree with that. That is a good approach. They should have a say in those issues.

The body was actually set up for a period of time under Alan Marchment, who actually made some reports. When these reports came out they were very critical of the government. Suddenly the whole atmosphere changed, the committee disappeared and was gone.

If we are going to maintain some service in this country we cannot simply allow a government to tell Canada Post that its bottom line is to get rid of as many rural post offices and urban post offices as it possibly can and to privatize as many post offices as it possibly can in order to sell the Canada Post business.

It may be okay for the city of Toronto, I do not know. It may be fine there because there will be a lot of competition. Purolator will go into Toronto. Purolator will work in the area of southern Ontario and certain areas in Quebec. I would like the hon. member to go up to northwestern Quebec, to Abitibi, Normétal, Dupuis and those places, and see what they would think about losing their post offices up there. Go into rural Saskatchewan, go into any part of rural Canada, go into rural Newfoundland. These are areas that need a service. As Canadians we should have a right to expect some basic services in this country. Certainly Canada Post is one of them.

If the attitude of this government had been adopted in the history of this country, certainly places like Saskatchewan would not have developed the way they have. It was because of a desire to provide transportation, for example, that the Saskatchewan transportation company was set up by an NDP government because Greyhound would not go to some small communities. Yet these small communities where there are businesses, and service stations needed that service.

I know as a lawyer working in small town Saskatchewan I certainly could not afford to run my practice having mail two days a week. It would not work.

I think the bill put forth by the member for Glengarry—Prescott—Russell is the right approach. I think the position put forth by the government some four or five years ago is a good approach. Everything in this country simply cannot run on free enterprise and bottom line competition. That is not how this country was built. It was John A. Macdonald with the national policy. If John A. Macdonald had believed in free enterprise we would never have settled the west because that was a program to encourage development in certain regions of the country, namely western Canada.

To have that sort of attitude simply is not going to work, especially when we live in a country that is the second largest in the world geographically. Thirty-three per cent of Canadians, one in three Canadians, live in three cities: Montreal, Toronto, Vancouver. Forty-seven per cent live in nine cities.

If we are going to maintain some kind of infrastructure, we have to be committed to providing services to rural Canadians through transportation, postal service, health care delivery, education, and a whole host of issues. That has to be the commitment.

Yes, we have to cut down our deficit. Yes, our debt is too high. Absolutely. We can do that and still provide some of the services. Certainly Canada Post does not have to be privatized. It is making a profit. It is providing a service. However, it is now taking an attitude that is ripping the heart out of rural Canada.

I want to say in closing that I support this bill. I think it is the right approach to proceed with. I just regret that we are only going to have one hour of debate on this bill. It will die on the Order Paper. That is a tragedy. It certainly deserves far more debate and far more interest than that.

[*Translation*]

Madam Deputy Speaker: Since no other members wish to speak, the time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the item is dropped from the Order Paper. It being four o'clock, the House stands adjourned until next Monday at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 3.58 p.m.

HOUSE OF COMMONS

Monday, March 29, 1993

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

Mr. René Soetens (Ontario) moved that Bill C-363, an act to amend the Excise Tax Act (limitation on rebate), be read the second time and referred to a legislative committee in the Economics envelope.

He said: Mr. Speaker, I rise today with pleasure to lead off debate on Bill C-363. It is a very simple bill as members of the House will know by looking at it.

It is a one paragraph bill and I will read it for the record. It states that subsection 120(8) of the Excise Tax Act is repealed and the following substituted therefor under limitation section 8: "No rebate shall be paid under this section unless the application therefor is filed with the minister before 1993".

• (1110)

What does that mean? It is very simple. When the Government of Canada set out to change the old manufacturers' sales tax, the old federal sales tax, the replacement tax was called the goods and services tax. I know that all members of the House are aware of the new tax.

Part of the implementation of the the GST was a rebate mechanism so that businesses across Canada could look at their inventories and determine how much federal sales tax was in their inventory. In the old system of federal sales tax or manufacturers' sales tax, when a retailer bought merchandise from a manufacturer, built into the purchase price was the existing federal sales tax. The government established a rebate system. There were a few other numbers, but primarily 8.1 per cent of a retailer's inventory would be eligible for a rebate.

When the tax was implemented on January 1, 1991 the rebate was available to companies for their year-end inventory but they had to file within one year of year end. Basically they had to file in 1991 for their end of 1990 inventory. Businesses generally filed throughout 1991.

However, at the end of 1991, people checked their returns from previous years and discovered that some people had not filed for a number of reasons. Perhaps it was a very small business and its accounting systems were not up to the standards of large corporations. Or, if it was a partnership, one thought the other had filed the return when it was not done. Maybe it was found in a subsequent audit.

I should point out that in my constituency I had three businesses come to me concerning this situation. One was a very small business which was eligible for about $8,000 in rebate. They found, having done their own returns the previous year, business had grown a little bit. In 1992 they hired an accountant. The accountant looked back at their 1991 returns and mentioned to them that they had missed out on their inventory rebate because it had not been filed.

This company had an inventory just under $100,000 and its sales were in the range of $300,000 a year. It had missed out on its $8,000 inventory rebate because its owners did not have the expertise to file in the first year. The accountant filed on their behalf but they were not eligible for the rebate.

Another company had a larger inventory. Again it was not a huge company but was eligible for an $80,000 rebate. Its owners thought they had filed in May 1991 but it was nowhere to be seen. They inquired in October 1991 concerning their rebate. They thought they had filed for it in May 1991. There was no record of the rebate, possibly through some sloppiness within the company. In January 1992 they sent in their rebate application and missed the deadline by 12 days. This is another company that was unable to get a refund of that inventory rebate.

Who does this legislation affect? It certainly does not affect General Motors of Canada, the large manufacturing companies or the large retailers. They all have the accounting systems, the professionalism, to make sure their rebate applications were sent in on time.

This helps small business, those people who simply because of size did not have the resources to file their applications at the right time, or in some cases through sloppiness did not file, or they were too busy trying to deal with the recession, employ people and sell the goods they had to go back and file later.

The reason I am bringing this bill forward is to make it possible for an extension for all those who did file in 1992, only to be told they had filed too late. We have the records of who all those people are, I am sure, within the Department of National Revenue. This would provide an opportunity for all those small businesses to get an infusion of money they were eligible to have given back to them in the form of a rebate, to receive it back into their businesses as cash flow.

• (1115)

The government prides itself on its activities with small business. In fact the Minister of National Revenue, in releasing a document on March 18, 1992, talked about a tax fairness package. I would like to quote from a press release that was issued in relation to that tax fairness package.

> Speaking at the Macdonald Cartier Club, Mr. Jelinek noted that "the Fairness Package demonstrates my commitment to a simpler and fairer tax system. It will allow for common sense in dealing with taxpayers who, because of personal misfortune or circumstances beyond their control, are unable to meet deadlines or comply with rules."
>
> "We must now concentrate on making the system more open—We cannot expect Canadians to have to dig through our policies and directives to discover what their rights are. It is up to us to take the initiative to reach out and make sure people know and understand how to take advantage of benefits offered by these new measures."

My private member's bill fits right into the comments of the Minister of National Revenue. Some small businesses could not meet the requirements of the government. They were only given 12 months to apply for a rebate. In keeping with the minister's perspective, I think we should have made it possible for small businesses to apply for their rebate at least for another year.

I have another comment in June 1992 by the Minister of National Revenue. It is a press release as well, and I will quote from it:

> "Many of the improvements have been made possible through new technology, which has been a cornerstone in our ongoing effort to increase competitive opportunities for business and to improve and simplify service to all taxpayers"—

Again a lot of the companies I am familiar with that missed out on the inventory rebate were doing the kinds of things the minister was suggesting: getting more modern, getting more technology, getting more up to date. In doing that they discovered that in some cases they were ineligible for the rebate on their inventory.

If this bill were in isolation, if this bill said: "We are going to extend from one year to two years the returns that are eligible, and nowhere else in the system can you qualify for a rebate after more than one year", I could understand the government not being in favour of this kind of legislation. It would be a fundamental change. The fact of the matter is the change is in this legislation.

Look at some of the other legislation people take advantage of in Canada, for example the tax fairness package mentioned by the Minister of National Revenue. If someone is eligible for a refund on income tax and for some reason has missed a deduction, a credit, or simply has not filed, that person is eligible for a rebate going back to 1985. Some seven years in back taxes can be claimed if you are eligible for a rebate.

On the income tax side, businesses can file for three years back for their income tax return and be eligible for a refund of the income tax they owe simply by filing. They have three years to do this.

If a business pays excise tax in excess of what it should and in doing its auditing checks its accounts and discovers it has overpaid its excise tax, it can file for a rebate of that extra payment. It has two years in which to file a claim.

In fact, in the GST legislation if a business finds at the end of a year that it has overpaid the amount of GST or has not claimed back the credits it is eligible for, it can claim those credits as the legislation allows back four years. I appreciate the legislation is not four years old, but as this legislation improves or as it extends in time all businesses will be eligible for a rebate of the credits on

GST for up to four years. Yet for some reason we have put in place a one-year limitation on the FST rebate.

• (1120)

My private member's bill changes that limitation from one year to two. Some might argue that we should go back three or four years, and certainly I do not have a problem with that based on the other record. It seems to me that the businesses with which I have had contact have missed the opportunity to claim the refunds.

My private member's bill is really quite simple. It does that. It allows businesses, basically small businesses, to go back for another year to claim a rebate on the inventory that they have truly paid for, that they can verify under all the rules and procedures that have taken place.

I hope that members will speak in support of this piece of legislation. Unfortunately I believe it will not be coming to a vote. Nonetheless the merits of the legislation are really very straightforward and I hope that all members of this House will see fit to support it.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have the opportunity to speak on Bill C-363. I support the idea that the rebate period should be extended on the manufacturers' sales tax, or the inventory portion of the FST.

I have to use this bill to illustrate again that the GST is a poorly designed tax. It is a poorly designed tax and this bill further demonstrates the point, because we are adding a further paper burden on small business.

I compliment the hon. member on the notion. It should be a standard procedure. I do not know why he does not go with the normal three years as people were converting from the old tax to the GST, which to this day I do not support. It created red tape and it made bureaucrats out of most of the small businesses in this country.

This is another example of where the government did not really realize the difficulties that small businesses have to cope with.

The hon. member kept talking about the Minister of National Revenue talking about tax fairness. Last week the deputy minister of revenue appeared before the public accounts committee. He talked about the fact that the gross GST revenue is somewhere in the neighbourhood of $30 billion but after the credits, the costs and the conversion from the old tax to the new tax there is approximately $15 billion in net revenue. That is what the net is on the GST.

The Department of National Revenue has no cost benefit analysis of the GST. The Department of National Revenue has no sectoral analysis of the GST; in other words how much money was taken in from the tourism sector in this country before the GST and after the GST or how much money was collected in terms of general revenue in the retail industry before the GST and after the GST.

I want to talk about the cost to small business. The Department of National Revenue mentioned in committee that the departmental work cost $150 per registrant. That is what it cost the Treasury for the 1.6 million registrants.

• (1125)

However it has done absolutely no analysis of what it cost small business. We have a bill this morning in which a respected member on the finance committee is recognizing the paper burden, the added work that is taken on because of the transfer and the GST.

I would not be surprised if the cost of the GST to small businesses was somewhere in the neighbourhood of $1,500 to $2,500 per business a year. I do not think that is an unreasonable cost.

If we multiply that cost by the 1.6 million registrants it would mean that there is effectively no net positive take from the GST. The GST has really been a big loser.

The bill this morning further illustrates that the design of the GST was not a good one. When they were taking into account all the transfer conditions and difficulties they should have understood that small businesses would not immediately understand all the complexities of the GST and would not understand all the forms and rebate mechanisms.

I also have had many small businesses in my riding—and when I say many I mean four or five—come to me in the last four to five months on this issue. With the GST they have to take on added accounting responsibility and their accountants have discovered that they have been short-changed on the rebate mechanism from their inventory.

The department right now is not honouring them. It is saying that they are beyond the one-year period of eligibility for the rebate. Needless to say, when we have an economy such as we have today our small businesses are having a heck of a time getting cash, especially from the banks.

I still have not seen anything from the government on advertising the Small Businesses Loans Act. The minister said last Thursday when it received royal assent that we would see something immediately, but I have not seen anything yet.

However here is another example where the government has at least had a bit of a deathbed conversion in the sense that it is recognizing that there are a lot of small businesses that missed the opportunity because of the complexity of the GST in converting from the FST and converting their inventory into the new mode.

I compliment the member for catching this. It is very important that we correct it. I cannot wait for the day when we can deliver to Canadians a system that is simple, fair and efficient. The government has designed a tax, the GST, from which the gross revenues are $30 billion and the net revenues are $15 billion. That is before a cost on the underground economy which is estimated to be somewhere in the neighbourhood of $20 billion to $30 billion.

That is not counting the cost of the damage it has done to the general lack of confidence in the country which has exacerbated the unemployment insurance and welfare conditions in this country. It is not including the fact that individual businesses must incur added costs as a result of the GST process.

When we figure all these things in my calculations show that the GST is the biggest loser in terms of a tax that has ever been perpetrated on this country. I cannot wait for the day when that GST is just washed away.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I rise today to speak on Bill C-363. My party and I are pleased to support the member's amendment to the Excise Tax Act to ensure that there is a better break for small business. The small business community was caught somewhat short when the GST was brought in.

• (1130)

In his remarks the member pointed out quite well that it was the small business community, those who often do their own books or have to hire an accountant to do books, that had missed out on deadlines with respect to the inventory rebate. It is important we ensure that the small business community is given all the advantages it can be given in this time when we in Canada are looking for the small business community to lead the recovery after the long and deep recession we have been in.

The member has pointed out in this particular amendment, on the back of the bill we spoke to the week before last on more amendments to the GST, and there were almost 300 amendments to the GST bill in that particular bill, that there are many problems with the goods and services tax. These problems are starting to raise their heads. Perhaps they had not been thought of and should have been thought of through a more in-depth look at where this bill was going.

The cost of this particular legislation to the small business community has been devastating. While the member for Broadview—Greenwood has pointed out that there have been no studies done by Revenue Canada with respect to the cost to the small business community, a recent survey conducted in the past year by the Canadian Federation of Independent Business of its members pointed out that the cost to small business has been excessive.

If we are to continue with this foolish goods and services tax that over 82 per cent of all Canadians said they did not want and still do not care for, we have to look at the cost of administration to the small business community. Right now in almost every province the small business community gets an administrative fee back from the collection of the provincial sales tax.

In the case of the goods and services tax the burden of the administration of this horrible tax falls on the small business entrepreneur himself or herself. That cost is substantial. The cost to the small business community is not just in the administration of that tax but also in the fact that in border communities people go cross-border shopping to get their goods and services where they do not have to pay tax.

Recent studies done in my riding and in other parts of Canada by various organizations have shown that it is the taxation level that has to a great extent caused people to

go across the border to shop. The burden of the added 7 per cent goods and services tax has been one that people simply are not willing to pay anymore. A study done in my riding showed that the majority of people going across the border were doing so to escape the goods and services tax.

This has fallen off substantially over the last little while because of the dropping exchange rate. It is a positive step to ensure that the exchange rate is lower. It helps our communities along the border to ensure they remain competitive among the people who would normally shop there.

The member for Broadview—Greenwood commented with respect to the public accounts committee on which I sit how in discussing the administration of the goods and services tax people in our ridings and across Canada often ask what has been collected and how much of this money is going toward debt reduction. From looking at the public accounts and speaking to the officials of Revenue Canada it appears that over $29 billion has been collected from the goods and services tax. Of that amount over $14 billion has been returned in rebates of various kinds and natures, bringing the level down to something in the area of $15.3 billion that is netted out.

• (1135)

Revenue Canada officials tell us that net does not take into consideration the administration costs for the government, so we are looking below the $15 billion mark; in other words approximately a 50 per cent recovery for the amount that we are collecting from the people of Canada on the goods and services tax.

It is not a very efficient tax. It has been pointed out that there are 400,000 small businesses that did not have to register for this, businesses with under $30,000 a year in gross revenues, that in fact have applied. There are various reasons why the small business community may want to apply to ensure that it gets tax rebates for major capital expenditures, but for the most part it appears that these people could be weeded out with a proper push by the Revenue Canada taxation people to ensure that they understand exactly what the tax is all about and whether in fact it is to their advantage.

In talking to a number of community organizations throughout the province of British Columbia, a number of them registered for the goods and services tax because they felt they had to do it. The misunderstanding of community organizations was with businesses grossing under $30,000 and in most cases not having major capital expenditures where they would be getting rebates.

This is a burden to not only them in filing but also to Revenue Canada taxation. I think we also have to look at that area of the goods and services tax to try to get the numbers of people who have registered down and get the efficiency rate of Revenue Canada up.

Over all I think we have recognized that the small business community is the community to lead us out of the recession. The government has taken steps toward this in the Small Businesses Loans Act, but I think the government must also look at the devastation that it has wreaked upon the small business community with legislation like the goods and services tax at a time when the government was warned that we were heading into a recession and that the goods and services tax coming on stream when it did would cause nothing but devastation, would increase the inflation rate, and would cause problems for the small business community with people not wanting to purchase from it. I think that has proven correct.

We have to look at what we should do in place of the goods and services tax to kick-start the economy with the small business community. We have to bring in fair taxation where all Canadians are treated on an equal basis of fairness. We have to look at a phase-out of the goods and services tax starting first of all with things like books. They should never have been taxed in the first place. Placing taxation on education is simply unbelievable. It was stupid at the time and it is stupid now.

I would suggest that with a proper phase-out of this tax we can bring in tax fairness to all Canadians, a tax that is progressive, not regressive, and ensure that the Canadian people get back on track, that the unemployment rate of over 11 per cent is dropped substantially to single digit numbers and that all people in Canada feel they are part of the Canadian economy and part of the recovery.

We have to go one step further than this member has gone in ensuring that the small business community has the opportunity of getting rebates by doing away with the tax totally.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I would like to take this opportunity to comment on the bill introduced by the hon. member for Ontario. On January 1, 1991 the new legislation on the GST came into effect. At the time, our government allowed businesses with inventories on which they had paid the manufacturers' sales tax a period of 12 months starting January 1, 1991 to file for the rebate which could then be passed on to the consumer.

• (1140)

I am referring to all businesses registered with Revenue Canada at the time that had already paid the tax. As a result of these claims the government paid out $2.5 billion in rebates. The government felt that during this 12-month period businesses had been given ample time to file their claims considering that the purpose was to enable businesses to pass on the savings to potential customers.

If today the government were to extend the deadline beyond December 31, 1991 I do not think that purpose would be served. I doubt the few businesses that failed, for whatever reason, to file for their rebate would pass the savings on to consumers who purchased the goods during the past 24 months. And that is not what the government intended.

The rebate was suppose to have the effect of reducing the price of certain goods, and that is exactly what happened. Finance Canada said when we were arguing in favour of the GST that there would certainly be a 1.25 per cent increase in consumer prices once the GST was put in place and, as you know, this included services. However, as a result of the business inventory rebates the increase was not 1.25 per cent but 1.1 per cent, an advantage for the consumer.

That was one of the benefits of the GST and I take credit for qualifying the government's position on proposals for changes. I would also like to mention that the GST has had a positive impact on exports of Canadian products to foreign markets. Before the GST was introduced the tax component of our exports was as much as 13 per cent. After the GST was introduced Canadian exporters, according to the Canadian Manufacturers Association, had a competitive edge equal to 1.6 per cent of their total sales. The result has been better penetration of foreign markets. This is one of the major advantages of the GST which is also responsible for increased sales of manufactured products to the United States since 1989-90 and during the present decade.

The same applies to capital equipment costs which are major inputs that must be recouped by Canadian manufacturers. The Canadian Manufacturers Association claims that the price of equipment used to manufacture products has gone down 4 per cent as a result of the GST. That 4 per cent represents $3.5 billion.

Retailers have confirmed that the price of most of the products they sell has gone down as a result of the GST. Because of the positive impact of the GST Canada's total GNP for one year increased by $9 billion, which means about 60,000 new jobs. According to an article in the *Toronto Star* of December 31, 1992—a newspaper that can hardly be accused of supporting the government's policies—even the Canadian Federation of Independent Business, which speaks for small business and fought the new tax tooth and nail, is starting to get used to the idea of a new tax system in Ottawa. The Federation says its members have spent millions of dollars to put the GST in place and are not prepared to accept any more changes.

• (1145)

It was also said that the GST would be an inexhaustible source of new money for the government and that was one reason why people should object to the tax. That is not the case. The GST has raised about 15 or 16 billion dollars annually, even less than anticipated. We are not seeing phenomenal amounts flowing into the Treasury as a result of collecting the GST.

Mr. Speaker, I will conclude my remarks with a comment from the *Free Press* of February 13, 1993, which says that although it is not perfect the GST is about the best tax we could have. It is visible. It is hard to evade. Even millionaires and their lawyers have to pay 7 per cent more on all goods and services. People said the GST would penalize the little man but the opposite is true. The GST penalizes on the basis of what you buy, and

since the wealthy buy more they will pay the lion's share of the GST.

For all these reasons I believe it would be inappropriate to make these changes and focus the energies of an increasingly expensive bureaucracy on a new accommodation for the sake of a few businesses that had 12 months to take advantage of the opportunity given them by the government to file their claims. That is why I recommend the *status quo*.

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this whole matter of the rebate under the goods and service tax was discussed in the finance committee hearings during 1989. It would have been discussed more fully had the New Democratic Party and the Liberal Party not boycotted the hearings dealing with the bill.

The boycott by the member for Okanagan—Similkameen—Merritt indicates the attitude that created all sorts of problems in this legislation. The reason we need the changes we now have before the House in legislation is that we could have done a better job in putting the bill through had members on the opposite side of this House put their minds to the whole matter.

Mr. Whittaker: Shame.

Mr. Blenkarn: The member of Okanagan—Similkameen—Merritt is now saying "Shame". He is the member who came to committee meetings but did not do much in the way of input.

With the goods and services tax we changed one consumption tax for another. The new consumption tax called the goods and services tax came into effect on January 1, 1991. Prior to that all goods in the hands of retailers bore some degree of federal sales tax. It was difficult to determine what the federal sales tax was.

Some people bought from a wholesaler; some people bought directly from the manufacturer; and some people bought from a company that imported goods into Canada. In some cases the goods went through two or three hands before they came to the retailer. The goods were all taxed originally at the manufacturers' gates at 13.5 per cent by and large, but what the amount of the manufacturers' tax was on the shelf of a retailer was difficult to determine. After a great deal of discussion the government came to the view that 8.1 per cent of the gross inventory of a retailer could be said to represent the former manufacturers' sales tax. That was the rule of thumb.

• (1150)

In some cases there was substantially less tax. In other cases there was substantially more tax. In order to be fair in transferring the system, in moving from one system of taxation to another system of taxation, business people were given a year if they wanted to claim on a deduction basis, from their monthly or quarterly tax remittances 8.1 per cent of their inventory held for sale. Businesses were also given $1,000 to set up their books.

My friend speaks of businesses that did not bother doing all that. They should have done it, but they did not do it. The question is: How long should the system of government stay open to look after people who do not do what they are required under the law to do?

Remember this is a one-shot matter. This is not like failing to file income tax, not paying taxes on time, or not doing something on time where there will be penalties and so on, something that can still be done. This is a situation of determining what is the final amount one should get back, deducted from inventory, and inventory ought to be available for it to be proven.

When someone comes in a year later and makes a claim, how do we audit the inventory? How do we go back to check whether the claim is correct? What kind of staff is the government supposed to have, to keep on tap to look after problems that develop a year later or over a year later?

The problem is that when changing from one system to another we need fixed rules as to when the change takes place. The matter was discussed in the committee I chaired of making recommendations concerning the report of the government or working out the goods and services tax in the first place.

At one point the government's view was that it should not give any rebate at all, that the tax should be imposed and the old buried manufacturers' tax would stay in the system and we would not bother giving any rebate at all. We felt in committee that was unfair, that people ought to get a rebate, and the matter was argued out. The

member who is proposing the bill was on that committee. We argued it out.

We came up with a year. We came up with this system. It is a rough and ready system. It did give a rebate for those who filed but they had to file. They had to claim. They had to claim the $1,000 accounting claim too. They had to do a lot of other things. They had to get a number. If they did not do that, too bad. There was a lot of advertising. There were lots of public discussions. The papers were full of it. The opposition made sure the papers were full of it day after day.

It is surprising how people could say they did not hear about it or they did not know they had to do it a whole year after the goods and services tax came into place.

This is a very important tax system. It is a tax system that works exceptionally well. It is one of the great advantages in our economic system that is leading us out of our recession. It has made it possible for our businesses to be more than competitive with the Americans. It indicates why the American ways and means committee is now studying our tax system and will be using it.

Mr. Mills: Fifteen years from now.

• (1155)

Mr. Blenkarn: It is too bad the member opposite does not understand the goods and services tax and how we do not add the cost of tax to our exports any longer or penalize people who manufacture in Canada any longer. But we do not. This system is working well.

I understand the desire of my colleague who has brought in Bill C-363 and the reason for the claim. However I have to say to him when changing over from one system to another there comes a time when one has to say: "That is it". Unfortunately that is it as the far as the one year is concerned.

Therefore, may I say that I do not believe we could accept the member's bill as a piece of legislation at this point. We have had a full two years of the goods and services tax. There have been very substantial rebates. The tax is in place and working well. It did not lead to the inflation that was suggested; indeed, that has been eliminated. After all, the rebate system was designed so that the money could be put back into the economy during 1991 when the change-over was taking place. 1992 is beyond the year period. By 1992 all of the inflation had been absorbed as a result of this tax and so the need for the rebate had also been absorbed.

Mr. Whittaker: I rise on a point of order, Mr. Speaker. I would like to take this opportunity to set the record straight with respect to the comments of the member for Mississauga South where he advised that the members of my party had boycotted. We have not—

The Acting Speaker (Mr. DeBlois): I am sorry, but it is a matter of debate. It is not a point of order.

Mr. Whittaker: I would like to set the record straight. We have never boycotted any committee meeting.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order please. I simply remind hon. members that differences of opinion expressed in the House of Commons are not necessarily points of order. Therefore, since little time remains in the debate, I must recognize as soon as possible another member who wishes to speak. The hon. member for Edmonton Southeast has the floor.

[*English*]

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I will stop before the time runs out on this debate so that one of the government members no doubt will get up to talk and debate the bill out.

In reply to the point we just heard from the member for Mississauga South, it was a biscuit maker from Toronto who pointed out to me that the GST was going to have a significant impact on their export sales. I remind the member that the manufacturers' sales tax did not apply to exports before.

He might be interested in hearing how it was going to adversely affect the export sales of this biscuit manufacturer. In just a couple of sentences, it was believed that if the GST hit domestic biscuit sales the demand for biscuits would go down an estimated 15 per cent. This would mean cuts to staff, cuts to employment. Therefore the cost per export biscuit would go up significantly and would make their sales to the United States in this case less competitive. This would be as a direct result of the goods and services tax which those opposite always cite as being a panacea.

Let us have no more of this drivel that the GST helped our export sector. For those who may not know it on that side of the House, as I said before the manufacturers' sales tax never applied to exports.

Just to pick up on the point made by the member for Broadview—Greenwood, we understand the GST is now raising about $30 billion a year. There are about two million registrants. I think I can fairly say that my friend from Broadview—Greenwood knows the small business community better than anybody on that side of the House. He estimates that it costs about $3,000 per registrant for having the privilege of collecting the GST. If we deduct the credits, the family credits and the input credits, the revenues are about $15 billion. If we take off the other $3,000 times two million registrants that is about $6 billion. Basically, in terms of being useful to the economy, we get down to about $9 billion which this abomination is creating for our economy.

• (1200)

The hon. member mentioned the underground economy which has flourished under this. I bet that a good number of the members on that side of the House know people who live more and more through personal corporations. They buy cars for personal use. I know Revenue Canada does not like that. However, they have a personal corporation and can buy a car, use it for personal use and claim the import tax credit. However, most Canadians do not have personal corporations for one reason or another.

This tax is making it harder for fairness, which has never been a concern for members on the other side of the House.

The Acting Speaker (Mr. DeBlois): Order, please. The time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 96(1), the item is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related acts, as reported (with amendment) from the Standing Committee on Finance.

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): There are four motions in amendment set down on the Notice Paper for report stage of Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related acts.

[*Translation*]

Motion No. 1, standing in the name of the hon. member for Sudbury, will be debated and voted on separately.

[*English*]

Motion No. 2, standing in the name of the hon. member for Mission—Coquitlam, will not be selected as it is identical to Motion No. 1.

[*Translation*]

Motion No. 3, standing in the name of the hon. member for Sudbury, will be debated and voted on separately.

[*English*]

Motion No. 4, standing in the name of the hon. Minister of Finance, will be debated and voted on separately.

I shall now propose Motion No. 1 to the House.

[*Translation*]

MEASURE TO AMEND

Mrs. Diane Marleau (Sudbury) moved:

Motion No. 1.

That Bill C-92 be amended in Clause 42

(*a*) by striking out lines 41 to 48 at page 86, lines 1 to 45 at page 87, lines 1 to 48 at page 88, lines 1 to 15 and lines 39 to 47 at page 89, lines 1 to 45 at page 90, lines 1 to 47 at page 91, lines 1 to 47 at page 92, lines 1 to 50 at page 93, lines 1 to 48 at page 94 and lines 1 to 22 at page 95; and

(*b*) by striking out lines 36 to 47 at page 100, lines 1 to 48 at page 101 and lines 1 to 13 at page 102 and substituting the following therefor:

"(11) Subsections (2) and (5) apply to the 1991 and subsequent taxation years."

[*English*]

She said: Mr. Speaker, I move this motion which deals with clause 42 of Bill C-92. It has to do with the 21-year rule on private trusts.

I was very careful to allow the part of the amendments to private trusts to stand. It is very important that the private trusts not be allowed to be refreshed so that the extension of the rules will not be allowed to go on in perpetuity.

On the other hand, it is very important that we keep the 21 years. One of the reasons it was put in place back in 1972 was definitely to ensure that at some point family trusts which had been set up would be subject to capital gains taxation. This was a way of deciding at what point the assets would be valued and capital gains taxation would apply.

The government was trying in many ways to remove this 21-year rule in committee. I studied it very closely. I became more and more convinced that in effect the government was trying to give a break to a class of wealthy Canadians. They certainly have already had a very good break on taxation by not paying any tax on substantial capital assets.

• (1205)

We know if the properties were to accede to the beneficiaries of the trusts they would not have to pay capital gains at this time. However many of these trusts were set up so that the parents could retain control. At the same time on their death no capital gains would be levied. In essence it would defer taxation on capital gains for a very long time; perhaps as long as 60, 70 or 80 years.

We believe that by removing the 21-year rule this is exactly what will happen. We do not think it is right. We think it is a massive tax loophole. In committee we were told there were other loopholes and we strongly believe that all tax loopholes have to be closed. The fact that there are still some around does not justify keeping, extending or creating a better tax loophole. Therefore we are very much opposed to extending the 21-year rule.

In committee we asked many questions. We wanted facts and figures. The finance department told us it did not have any. I have a great deal of difficulty believing it is impossible to come up with ballpark figures on the amount of revenue the government is deferring indefinitely if it strikes down the 21-year rule.

We all know that whatever the finance department decides to do it generally has all the statistics and all the facts and figures and can go on *ad infinitum* with facts and figures to back up its argument. Suddenly, however, for some reason when it comes to this particular clause it claims to not have any information and is extremely vague. My only feeling is that the finance department has somehow decided not to look into it because the revenue implications would be quite horrendous.

I ask the government to consider who it really should be representing. Should it be a handful of wealthy family trusts or should it be the people of Canada?

I was in Hearst over the weekend to attend a nomination meeting for one of our Liberal MPs and I met many people. Somehow I know they would not understand why a clause such as this one or a move such as this one would be made when they are suffering the bulk of taxation. They are, by and large, the ones who have been subjected to the GST and the many increases the government has put forward.

I really take offence at seeing a minister of this government make fun of what I am saying here today. It just shows a type of insensitivity to Canadians, that somehow these people have forgotten whom they represent. Do they represent the average Canadian out there or do they represent a select few? I do not wonder; I know they have somehow forgotten. It is high time they were reminded.

I am pleased to see the hon. minister acting a little bit more seriously while we are discussing these kinds of tax loopholes.

When I was in committee the Conservatives talked about setting up these trusts because some of the beneficiaries were disabled. I want to say that these

trusts generally were not set up to look after disabled children. If a trust is set up to look after a disabled child one does not put in assets which appreciate so much as one puts in revenue generating types of instruments. This is so that the disabled person can have a good and adequate cash flow to keep them going.

At any rate, I know that if this government really wanted to look after disabled people it would not be worrying about this 21-year rule. It would be allowing these trusts to pay the capital gains on the appreciation of their assets. It would have substantial revenues whereby it could do things for some of the disabled people it pretends to be so interested in helping.

• (1210)

I fail to understand why the government is insistent on abolishing the 21-year rule. I want to ask every member of the House to consider the serious debt and deficit implications we have. After all the rhetoric we hear about dealing with the debt and the deficit, the government talks a great line, turns around and forgoes revenues at this time having to do with these trusts. These represent substantial amounts of revenue that would help address the problem of the debt and the deficit.

I can only ask once more for the government to allow my amendment to stand and to vote in favour of it so that the same people the government purports to want to help really can be helped. At the same time we would address the debt and the deficit. It is more than time that we stop just talking. We should actually do something about it. Closing this loophole would be a tremendous step.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, today we are addressing very serious legislation that exposes in many respects the priorities of government. I want to begin by saying that we are dealing with Bill C-92 which includes private family trust tax legislation.

To understand what we are doing we have to go back to the year 1972 when the Liberal government of the day introduced what is called the 21-year rule that required private family trusts be assessed capital gains after 21 years of the money being in family trusts. They would then pay tax on their increase in wealth at that time. In other words it was a method of deferring taxes on capital gains for 21 years.

We recognize that no capital gains tax has ever been levied under this 21-year rule and that all private family trusts that existed on or before 1972 would be subject to tax for the first time in January 1993. However, the government has introduced the legislation which we are debating now to eliminate the 21-year rule. It means that a trust set up today for a young child could go tax-free until the child dies, which could be 80 years from now. In other words it would defer the tax for up to 80 years in some cases.

What are we talking about here? What is an example of a family trust? Because of the privacy rules which we support naturally we do not have information on specific families or individuals. That is the way it should be. Available court records show the trust established by Samuel Bronfman for his daughter had a value in 1969 of $70 million.

Today that trust would have had a value of well over $600 million if it had been kept in very conservative investments for that length of time. What we are talking about here are massive amounts of money on which taxes are not paid until the end of this period. Any tax expert would tell us that this means taxes will not be paid, period.

I want to say what some professionals have said about the tax initiative raised by the government that we are debating today. Sidney Goldstein of Goldstein, Goldstein and Goldstein in Ottawa had this to say:

> There is no question that it represents a massive windfall for existing trusts.

Kathryn Bush of Blake Cassels had this to say:

> A cynical person might suggest that pressure from influential political supporters also should be listed as a reason for the draft legislation.

• (1215)

Neil Brooks, whom we all know, is the associate dean at Osgoode Hall Law School at York University. He had this to say:

> The government has given Canada's wealthiest families notice that it intends to give them a gift worth several billion dollars.

Arthur Drache of Fraser and Beatty had this to say:

> If legislation now before Parliament is not passed before the end of the year, thousands of trusts would be hit with massive tax bills.

It is helpful because a lot of us are not tax experts. We do not have degrees in tax law or belong to firms that are into estate tax planning and so on. We rely on experts

and that is why we have committees. I look across the aisle at one of my favourite politicians, the hon. member for Mississauga South. He sat in on a very important meeting of the finance committee a few weeks ago where experts were invited to speak.

One of the two experts, Mr. Neil Brooks, had this to say, and I am quoting from the transcript of the finance committee hearings:

> First of all, this amendment will clearly result in a number of Canada's wealthy families paying less tax this year than they otherwise would. There just cannot be any question about that.
>
> The amendment will allow Canada's wealthiest families to defer paying tax on their accrued capital gains substantially beyond what any other tax avoidance technique now permitted by the act allows them to do. This change will usher in a new era of tax planning by the use of personal trusts to avoid the deemed disposition on death. Over time it will have substantial revenue consequences.
>
> Instead of creating one more loophole by which people can avoid or defer the deemed disposition of capital gains on death, the government should be closing the existing loopholes. The act now contains a number of loopholes which allow a person to freeze the value of their property, but maintain control over it and avoid paying tax on gains that accrued while they controlled that property. The government should be closing the existing loopholes that permit estate freezing.
>
> My final comment is that this amendment is bad tax policy because there is absolutely no theoretical tax justification for the amendment that is being proposed. It will only benefit high income people.

Professor Neil Brooks was followed by Mr. Sidney Goldstein. He is the senior partner in Goldstein and Goldstein, Barristers and Solicitors, and acts as a tax adviser and planner to his clients. He had this to say:

> Having said that and given the view that there was some affiliation with Tories, I too am questioning the appropriateness and purposes of this proposal.

In other words, he was saying that his usual dispensation is to be supportive of Conservative government initiatives as a friend of the government, but this was going too far to tax his comments that he simply could not speak positively about this initiative under any circumstances. He went on to say the following:

> I endorse most of the comments Professor Brooks has made. Deferral is a very powerful and very valuable benefit. One of the arguments that has been made here and in various publications is that the proposal just shifts when the tax is going to be paid. Whether you pay it now or later, the same amount of tax is going to be paid, but that is not true.

In other words, the usual explanation is that while this is simply deferring when tax will be paid, here is one of the most senior tax advisers in Canada saying that is patently untrue. This is not a fact. Again, humble people like myself simply have to take advice from these experts. He goes on to say:

> The proposal here, and I second Professor Brooks' comment, is more generous than any other proposal in the act. The deferral is until the last of a class of persons dies potentially. That is likely to be a significantly longer period of time than if each individual child received their own share directly and paid tax as each of them died, sold property or left the country.

In other words, he is just saying that here is the ultimate in tax loopholes and tax boondoggles. He goes on to say:

> In my own practice and based on my professional contacts and various direct information—ignoring the speculation of what major estates in the country might benefit—the potential tax benefits from this proposal are in the millions of dollars. I do not act for the Desmarais, the Bronfmans or the Thomsons, but I do act for people who have substantial real estate holdings and substantial portfolios of publicly listed shares and they will benefit significantly from this proposal.

• (1220)

I could go on reading from the transcript of the finance committee hearings, but perhaps I will simply wrap up by saying that two of the most experienced and respected tax advisers in Canada have said this has to be the loophole of loopholes. This has to be the ultimate granting of a gift to those who need it least. This is a tax giveaway to the most wealthy families in Canada.

On the one hand the government is saying it has to charge GST on children's books and Bibles. On the other hand it is giving the wealthiest families the ultimate tax loophole. Does it not tell us a great deal about how our tax system has evolved? It is a mess. It is a disaster. It is the disaster of disasters.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, first of all I want to say the amendment of the hon. member for Sudbury has some advantages in that it does not totally wipe out the tightening of the system concerning trusts.

The current act is so full of loopholes that it enables a trust to continue to roll over and over. Just by simply changing the trustees under the existing statute the 21-year period is revived. The government has settled that issue with people who have existing trusts by cutting

back on the deferral period to the deferral allowed for the first generation removed from the settlor and the tax applies on the death of the first generation.

Currently, because of the ability to roll it over and over with each succeeding change in trustees, the 21-year rule that is supposed to be a terrible rule that will prevent the government from collecting all sorts of money is a massive loophole for the wealthiest families, as my friend from Kamloops said. We have closed that massive loophole. I am at least pleased that the member for Sudbury has recognized the government's positive action in that regard.

We have made arrangements for these trusts to terminate when the youngest or the last person or whoever is immediately the beneficiary related to the first generation from the settlor dies.

There are two kinds of trusts. There are trusts set up in wills and most of the trusts that are dealt within this statute really are trusts set up by people who die. When they die the capital gains is paid on their assets and then their assets are put in trust for the beneficiaries. The trust can run until the death of the beneficiary if the beneficiary is one beneficiary removed from the testator and that is the end of it.

It does not require winding up a trust in a 21-year period but it allows the trust to run its normal course. That seems to me to be very fair. As I said, most of these things are put together by people in their wills. They are testamentary trusts.

Some trusts, however, are set up by people who want to do major *inter vivos* settlements. When a person does an *inter vivos* settlement he or she has to pay capital gains tax on all assets that have been put in trust. To the government that is a bonus because it gets its capital gains tax in advance when the settlor sets up the trust. The government does not have to wait until the settlor dies.

Some people suggest this is a great advantage to the settlor. I suppose an advantage is an advantage if it is perceived to be an advantage. It may not be an advantage at all because the settlor is paying tax to the government sooner than he or she would normally have to pay it. To the government that is an advantage. To the government the sooner a person pays tax the better, as pointed out by my friend from Kamloops. This might be perceived by some to be a great tax loophole but frankly on balance it is no loophole at all. It is just the payment of tax perhaps earlier than the government might normally expect it.

• (1225)

I recommend this statute be left as is. We did not hear in committee, despite the evidence of Mr. Goldstein and Professor Neil Brooks, any real justification for changing it. The member for Sudbury who has made the amendment we are speaking to now recognizes the advantage of the changes proposed. I suggest we carry on recommending the advantages of all the changes rather than just being selective. I think the statute should pass as is and the amendment should be defeated.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, one of the problems the government does not seem to be recognizing is the perceived unfairness of the current tax act that exists in this country today. It is that perceived unfairness that is causing a great deal of difficulty.

There are many aspects of the tax regime which are not fair, but the perception is so much greater than the reality. It is that feeling or perception which is causing this malaise in attitude within our country that affects every aspect of a person's life. When people in a working environment do not feel they are being treated fairly it affects the quality of their work whether it is physical labour or creative work. The tax design of this country, the Income Tax Act, is one of the main culprits in causing this feeling that the system is not treating individuals fairly.

When people feel they are not being treated fairly it not only affects their work habits, but in the case of the Income Tax Act it causes a tremendous cash economy to develop. In 1985 the then Minister of National Revenue, the current Minister of Communications, said the underground economy at that time was close to $40 billion. He estimated—I am sure he got this advice from his officials in the Department of National Revenue—that the lost revenue to the Treasury on that underground economy was somewhere in the neighbourhood of $9 billion.

Today they say the underground economy is somewhere in the neighbourhood of $100 billion. If we use the minister's formula from that time we could say there is probably something in the neighbourhood of $15 billion to $18 billion in lost revenue to the Treasury because people feel they are not being treated fairly and the

underground economy, the cash economy, is exacerbated.

These trust funds are one of the prime reasons why people feel the current Income Tax Act is not a fair piece of legislation. When we have an Income Tax Act where family trusts or trust funds have not had any tax burden over a 21–year period, how could anybody possibly think it is a fair system?

• (1230)

I realize this started off as a Liberal initiative. It has gone through successive regimes including nine years of a Conservative regime. It seems to me that they have a tremendous opportunity to do something special in tax reform, something that would cause people to think that even though they have been insensitive on the GST in the area of family trusts they have the courage to address a very tough issue.

The problem with the family trusts is that no one knows how much money is in those family trusts. We hear estimates ranging from $10 billion to $30 billion in trust funds that have been sitting around untaxed for 21 years. Now the government wants to extend it for an indefinite period of time.

I have been approaching the issue of comprehensive tax reform with a very specific idea, the single tax plan. Corporations and individuals would be taxed at a single rate of 20 per cent. After seniors, families with children and charitable organizations got their tax credit people would pay 20 per cent. Under the single tax system interest bearing amounts on these family trusts would be in the loop. It is an air–tight system. That is what Canadians want today. They want an air–tight system. They want a fair system. They want a system that is efficient. They want a system they can understand. More than anything they want a system where everyone is accountable.

This trust provision in the Income Tax Act is wrong if for no other reason than there is absolutely no accountability. No one really knows how much money is in the trusts and how much money is being made. The fact it has gone on for 21 years without any accountability is wrong and I certainly think it needs to be amended.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise today to speak to the elements of the legislation that we are most concerned about in Bill C–92, and that is the whole question of the private family trust tax and the fact that the government has chosen to continue it for yet another period of time.

Changes to the legislation concerning taxation of private family trusts was first proposed by the Minister of Finance in draft legislation on February 11, 1991. Despite considerable criticism from the professional community, these technical amendments were introduced in draft legislation released in December 1991. Finally the legislation was brought to the House by notice of a ways and means motion June 19 last.

The legislation has been around for quite some time. We have been aware of it and have been watching it move through the process.

The current legislation which this seeks to amend covers private family trusts. It goes back 21 years to the 1972 tax reform brought in by the former Liberal government when the federal estate tax was eliminated and the capital gains tax introduced.

This change left a potentially enormous tax loophole. Capital gains taxes are levied only when gains are realized, usually when property is sold or at the time of death. Because trusts never die it means a private family trust could entirely escape paying taxes on assets held within the trust.

The Liberal government introduced a 21–year rule which required that private family trusts would be assessed capital gains after 21 years and pay tax on their increase in wealth. Clearly the government set the rules. It said for 21 years the trusts had a tax holiday but at the end of that they had to start paying their fair share.

• (1235)

Income tax is paid by the beneficiaries of the trust when property is distributed to them from the trust. No capital gains tax has ever been levied under this 21–year rule, and all private family trusts which had expired on and before 1972 would be subject to tax for the first time in January 1993.

Under this bill the government is proposing to essentially eliminate the 21–year rule. Trusts would be allowed to defer the 21–year rule until all the exempt beneficiaries have died. An exempt beneficiary can include a

child, spouse or parent of the trust settlor but not any individual of generations subsequent to that of the child. In other words no grandchildren.

This means that a trust set up for a young child today could go tax-free until that child died, which could be 80 years or more from now. It means the billions that are presently sheltered in private family trusts will not have to be subject to tax until the last exempt beneficiary dies.

This constitutes a tax loss of billions of dollars. While trusts will be allowed to accumulate wealth tax-free for many more decades, the government will be deprived of those revenues to reduce the debt and deficit, let alone the revenues necessary to improve lives of all other Canadians.

We do not know for sure how much is held in private family trusts. Almost no public information is available about the amount of wealth that is held in these trusts. Tax privacy laws which we support prevent Revenue Canada from providing information about any single trust and it does not provide any information about the aggregate amount of assets held in private trusts.

Sources within the financial industry have estimated the total value of assets held within trusts at $70 billion. This estimate seems fairly reasonable as it represents only 3 per cent of the $2.4 trillion total assets held by persons in unincorporated businesses in Canada.

How much revenue does the government lose from this particular change with the extension of the trust? It is difficult to estimate just how much tax revenue the government will lose but a very cautious estimate demonstrates what potential revenue is at stake. If only 1 per cent of the $70 billion in trusts was subject to tax next year a marginal tax rate of 30 per cent would raise over $200 million.

It is only fair that people who have these trusts are expected to contribute to the running of the country because that is really what it is all about.

I have a number of quotes from tax professionals. Sidney Goldstein of Goldstein, Goldstein and Goldstein in Ottawa says:

> There is no question that it represents a massive windfall for existing trusts.

Kathryn Bush from Blake Cassels says:

> A cynical person might suggest that pressure from influential—

An hon. member: You just read those.

Mr. Angus: I know and I thought they were so good I wanted to read them back into the record.

Let me start again. She said:

> A cynical person might suggest that pressure from influential political supporters also should be listed as a reason for the draft legislation.

Again that was Kathryn Bush. Neil Brooks, someone who has been referred to in this House before and will be from time to time, said:

> The government has given Canada's wealthiest families notice that it intends to give them a gift worth several billion dollars.

Finally Arthur Drache of Fraser and Beatty said:

> If legislation now before Parliament is not passed before the end of the year, thousands of trusts could be hit with massive tax bills.

The government argues that these changes are necessary for a number of reasons. First, it has argued that the 21-year rule might interfere with trusts established by parents for the benefit of their disabled children.

The reality is that any trust set up for a disabled child will have annual allocations of the gains from that trust in order that the child may progress through school and through life. They would not be set up to provide a lump sum at some point in the future. Their needs do not get delayed for 21, 25 or 30 years. Their needs are now.

Any trust set up to ensure that the child of a wealthy person or a not so wealthy person is looked after financially will be designed in such a way that they would not require this particular rule.

As Sidney Goldstein argued:

> If the government were really concerned about the needs of disabled kids, a better solution would have been to declare a special exemption for the disabled.

• (1240)

Second, the government has argued that unless the rules are changed some trusts may not be able to pay the taxes without the selling of assets, perhaps including a controlling block of shares in a private company. This

argument is probably the most valid of those offered by the government but it still makes little sense. Private trusts have had a full 21 years to plan for this tax, much more than ordinary taxpayers get.

One of the complaints we hear from time to time about governments of all stripes is that they change the rules. Here is a rule that has been in place for 21 years. Everybody knew what the rule was. A good financial planner would have considered that and have planned accordingly for the end of the 21-year rule this year.

Taxpayers in this situation could utilize the $500,000 small business capital gains exemption to avoid selling assets. The government also says that it is closing a loophole with this bill by preventing rollovers from one trust to another. It is true that a clause in this bill does close a potential loophole and we do support that, but it does not mean that the government has to create another massive loophole.

Although it may be onerous for the beneficiaries of some trusts to pay taxes in one shot after 21 years in capital gains, there is a provision to pay taxes from a 21-year deemed disposition in up to 10 annual instalments. That is in subsections 159(7) and 159(6.1) of the act. This will provide some relief for trust beneficiaries with modest incomes who do not wish to dispose of the assets at this time.

The law is clear. It provides some flexibility for those people who are not the wealthy family trust holders but of more modest means who perhaps could not afford to pay the kind of taxes that might be owed to the people of Canada.

In conclusion, this particular section of the bill indicates the reality of tax reform in Canada. It is tax reform for the very wealthy. It is tax oppression for the not so wealthy. That is why we in this party oppose the provisions in the extension of the 21-year rule. We want real tax reform which would ensure that those who have a lot of money begin to pay their fair share of running this country.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I never thought I would have to rise here to protest against such a flagrant government bill. It is the worst fiscal injustice I have heard of since I have been in this House.

In recent years there have been all sorts of tax increases, especially the GST, which hit the middle class. All these taxes hit the middle class hard and today Bill C-92 would exempt family trusts. This means that the richest families in the land, those with the most money who enjoy the best that this world has to offer, would be exempted.

Twenty-one years ago the government here in this House decided that it would change the tax system. Taxes would not be collected on family trusts for 21 years, but after 21 years all gains on the family trusts would be taxed. Indeed in the past few years the great law firms in this country representing its wealthiest families have been putting pressure on the government to extend this 21-year exemption until the youngest children have died. This could be 20, 25, 30 or even 40 years in some cases.

How do we explain this change in attitude? Twenty-one years ago it was literally a gift to the wealthiest families with huge fortunes.

• (1245)

Now it wants to remove it. I have great difficulty understanding what inspired this change. Look at the situation our country is in with our middle class saddled with the heaviest tax load in the industrialized world. Still we are now dealing with a bill that would exempt the richest families in the land.

How can such a thing be justified? In committee we had experts like Neil Brooks, vice-dean of Osgoode Hall law school, with whom I spoke several times. He has a great reputation; he is a great tax expert who knows tax law. As you know, Mr. Speaker, I do not claim to be a tax expert, far from it, not when there are thousands and thousands of pages written on it. It is really complex and I for one am convinced that this law is deliberately complex.

For example, take the experts who appeared before the committee. They showed that it was indeed a gift, literally a huge tax break. But for whom? For the richest families in the country.

We have so much data clearly establishing that it is not justified. As you know, the richest families have the services of great experts available to them. They can put tremendous pressure on the government, for example through lobbyists here in Ottawa, to defend their cause. They can afford it. A middle-class person who earns his

daily living most definitely cannot afford the services of a tax expert. Earning his or her living takes all his time.

However, the wealthiest families in Canada enjoy advantages. I could quote figures; we do not know if hundreds of millions or billions of dollars could be saved in that way. At a time when we have an accumulated deficit of over $400 billion, we find a way to exempt the most fortunate class in our country. That is very strange and unjustified.

I hope Bill C-92 will raise many questions in Canada. The committee has already met, but I hope a great many people will start asking more and more questions as to why a government which has asked so much of the middle class would exempt the richest citizens. There is no justification for it.

The witnesses who appeared before the committee literally said that the government's arguments are phoney. There is no justification and these arguments are just stalling for time until they come to the House to pass the bill on third reading with their majority.

I know that on this side of the House the Liberal Party of Canada and the New Democratic Party will vote against it, that is sure. In a few months there could be a change of government, a hope I share with many Canadians. The Liberals will then form the government and we should rescind this bill which the present government wants to pass and tell the richest families in Canada: "You were exempt for 21 years. Now it's your turn to do your part. This country has been very generous to you; it is only right that you now pay your share".

I say to government members who cannot justify this bill that you will pay the price come election time. Canadians everywhere will ask: How can you justify Bill C-92 which exempts the richest families in the country? You have no justification. It is shameful.

I realize that we should always use parliamentary language, but you should be ashamed. If you are not ashamed, I wonder if we can expect the worst. I would like all those listening to the debates in this House to ask Conservative members the following question: How can you justify such a shameful measure?

• (1250)

[*English*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I want to say a few words on this amendment to Bill C-92 as it pertains to the extension by the government of the 21-year rule for private trusts.

The context in which I would like to frame my remarks, which are in support of this Liberal amendment changing this piece of legislation, is that of ensuring that Canadians appear to pay and do pay their fair share of taxes. It is also in the context of the very real fiscal difficulties that we all know the federal government faces at the present time.

The decision by the government to extend the 21-year rule is one on which we are still being denied information that is necessary for us to have a full understanding of what exactly is involved. To many Canadians this decision appears to grant a very important loophole allowing the wealthiest in our society to continue to avoid paying tax on a very sizeable portion of their assets, namely their family trusts.

It is incumbent upon any government today that is serious about controlling expenditures and the deficit and that wants to ask Canadians to make a real sacrifice, as this government has done through the imposition of numerous and sizeable increases in taxation, to ensure that those in Canada who have sizeable assets are taxed appropriately on those assets, and in particular on the capital gains that accrue through the accumulation of those assets.

The 21-year rule was implemented 21 years ago to allow those families who fell into that situation a very long period of time to get their affairs in order and dispose of their assets. That 21-year period, in the opinion of members on this side of the House, was plenty of time for those families to deal with the business of financial planning.

This government has extended that period at a time when Canadians are generally feeling overburdened by taxes. There is a very strong suspicion afoot in this country that the wealthy do not pay their fair share of taxes and ordinary Canadians are being asked to assume, through increases in income taxes, through various forms of charges and through the GST, sizeable increases in

their tax burdens. It strains the credibility of any government when this is allowed to happen.

• (1255)

It would be an act of good faith on the part of this government if it were to accept the Liberal amendment and the principle that this 21–year period has expired and the people who fall under the situation covered by this provision in the tax law should be required to deal with the inheritance or estate taxes which they are legitimately required to pay.

For the government to fail to do this will not only increase the lack of credibility it has acquired among Canadians over the last eight years but will strain the credibility of future governments because a main issue facing all Canadians is the apparent unfairness in the Canadian tax system.

That is a serious credibility problem for governments in Canada today. It is a problem of which all governments must be very mindful. Any provisions, and there are many in the tax laws in Canada, that appear to confer benefits to those who are wealthy and who have got gains through the accumulation of wealth or assets, while at the same time other Canadians are being asked to bear a higher burden of taxation, will put additional strain on the fabric of government programs and on the tolerance of Canadians to government demands to finance its operations through taxes and other forms of charges to the Canadian public.

It would be an act of good will and generosity, but more an act of credibility on the part of this government if it were to accept our amendment dealing with this trust provision. I hope government members will allow this amendment to be incorporated into this piece of legislation. It would make the legislation more palatable to those of us on this side of the House who support other aspects of Bill C–92, some of which were actually introduced on the recommendation of the Liberal opposition. We were pleased to see that the government paid attention to our suggestions.

In this day and age when Canadians are so distrustful of the additional financial burdens governments are asking them to bear we cannot allow this provision to go unchallenged. We cannot allow this 21–year rule to be extended to those families. We are still unclear concerning the amounts involved because we have not been told the relevant facts concerning the revenues involved in these trusts, but we certainly know there is enough suspicion out there. There are enough grounds for suspicion. We cannot allow the government to proceed with this measure without airing before the Canadian people what is involved in these trusts.

We on this side of the House urge the government to accept this amendment to Bill C–92.

• (1300)

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I am happy to speak to the amendment to Bill C–92 and to talk about family trusts. A great deal of public mistrust is befalling private trusts. If it is a matter of trust of which we speak here today. Certainly if the general public of Canada really knew what this debate was about cynicism and condemnation would perhaps best describe what is going on here.

Once again the people are not aware. It is not a simple issue. It has gone to committee. Despite the representations from credible witnesses the government has seen fit to proceed.

We want to talk about what this means and to which people in our country. Let me suggest that the 21–year rule pertains only to the very wealthiest people in our country. Our country has one of the highest concentrations of wealth in the hands of the fewest in the world. Comparisons are made. Even though one of the ministers previously said there are not enough millionaires in Canada, and I suspect that is an unfortunate circumstance, most people are not that concerned about the accumulation of millions of dollars. They are concerned about their everyday household expenses and in trying to cope.

The very wealthiest people in our country have been given 21 years to get their financial house in order. It came to roost that this legislation was going to run its course. The government said: "We had best extend that 21–year period because for the wealthiest of the wealthy in this country 21 years is not long enough. Let's give them another 10, 15, 20, 30 years to ensure that they can keep all of their assets in these private trusts". They are conducting business as usual but they have set aside these private funds that are not taxable.

How many are there? We are not sure. Some suggest there might be as many as 22,000 family trusts. We cannot be sure. Revenue Canada says because of privacy we are not allowed to track those statistics. Give or take a thousand or so I suppose there are about 15,000 of these family trusts.

The one example we have, I gather the only one that we could get our hands on, is about 20 years old. At that time it was valued at $70 million. That is not bad. I guess it has tripled or quadrupled in value now. The government is saying: "It is not time yet to force these people to pay any taxes on the accumulation of wealth in that private trust. Let's extend the period for another 10, 15 or 20 years".

The rationale given is cynical at the very best. It is particularly cynical to those average Canadians who every year have to get their house in order. They have one year. If they do not get it in order, the GST rebate will be taken from them. Any returns on their income tax in March will be taken by the government.

However, for these people the reason given is they might have to hire a lawyer. We all know that lawyers are expensive. For the very wealthiest people in the country it is a very sad story that they would have to hire a lawyer to get their house in order. Another reason is that they are not quite ready yet to pass on control of some of their interests to their children. The children are not quite ready yet to take possession of power and money, so we had best give them more time.

Another reason was that these people might have to sell some of their interests. Would that not be a shame. If multimillionaires had to sell some of the interests they had in different corporations that would be terrible, would it not? People in my constituency have had to sell their homes because they do not have jobs. It is not too much to ask these people to get their houses in order.

• (1305)

Finally, the most cynical rationale of all is what if these fabulously wealthy people have a disabled child? Should they not be able to provide for this disabled child? I say yes, absolutely they should be able to, but after 21 years and multimillions of dollars there must be another way of providing for that child. I wonder how many disabled children there are born of the wealthiest families. Maybe I best not dwell on this issue because I realize the sensitivity of it. The very fact that the government would proffer this as rationale for extending the 21-year rule makes it extremely cynical. It is cynicism at its apex for sure.

What did the witnesses say? I know the member for Mississauga South tried to discredit it. He said one of the witnesses has an NDP affiliation, God forbid. He could not have any expertise on tax affairs because he has some affiliation with the NDP. One of the witnesses said he had previous ties with the Conservatives, but he said he agreed with Mr. Brooks that there are some problems with this. He said that anybody in their right mind with $100 million would say if there was a chance for deferral they would defer their taxes for another decade. I probably would too. Most people are like that. They are a little bit full of self-interest.

There is a tremendous lobby by these people to say: "You are going to create a great deal of problems for us wealthy people, so you had best put the legislation in as quickly as possible. Don't pay attention to any tax experts who might come forward, regardless of their political affiliation, whether they are New Democrats or Conservatives". They say you should not hear there are loopholes. We consider this a loophole that you can drive tandem trucks through. Do not concern yourself with that, just go forward and put on a good face.

I listened to the member for Mississauga South. He put on an awfully good face because he has some expertise in this area. He used the appropriate vernacular, with which I am not familiar, and he used all the appropriate jargon. If people were watching they would ask: "What in the world is he talking about?" I am not so sure anybody would understand, nor would they want to understand.

It is sophistry at its worst to try to convince people that this is okay, don't sweat it. We are going to lose a couple of hundred million dollars of taxes every year from the richest people in the country. Do you think they would want to come forward and say they want to help? These are the people who are saying the debt in this country is going to kill us, that the government has to get its house in order. For sure, people in glass houses should not throw dollars. It is unbelievable. No doubt they are the loudest out there saying: "The government is out of control and it spends too much money. Canada is a hard country to do business in".

I would like the government to read *Controlling Interest*, written by Diane Francis, not a big friend of ours, but a very revealing book indicating that the country is controlled by a very few wealthy families. Here we are discussing legislation that will do nothing but protect them. We have protected and coddled them for 21 years. The government says: "It is not long enough, folks. Let's give them another 10, 20 or 30 years. We will collect the taxes at that time".

I am sure I have not shed a great deal of light on this issue, but I certainly feel better for it and I want to say this to any Canadians out there who might be watching: It is the absolute hypocrisy of cut, cut, cut on one hand and this kind of absolutely terrible, horrendous acceptance of a tax and the loophole—the word is used too often but you know what I mean—on the other. It is totally unacceptable tax legislation that this government is proffering.

• (1310)

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am pleased to stand in the House to speak at consideration of report stage of Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act and so on.

This omnibus bill includes numerous technical changes. There are quite a few areas of the bill that I definitely do agree with. There are some very positive aspects of it but there are two areas that I and my party disagree with.

We on this side of the House have put forward two amendments to Bill C-92. The first is a motion to amend clause 42 to remove the extension of the 21-year rule on private trusts and maintain present law. The second is a motion to amend clause 47 which is to remove the provisions that disqualify passive businesses from the capital gains exemption.

I will explain briefly what these two motions are about and why we are objecting to those two particular aspects of the bill.

The government's position is that it wishes to extend the 21-year rule because it wishes to remove the arbitrary nature of the 21-year figure. The government has tried to justify the extension of the 21-year rule for private trusts by emphasizing the plight of disabled children as the beneficiaries of these trusts. The government believes that this extension will not result in any forgoing of tax revenue. Therefore it sees this as a revenue neutral measure. Obviously we on this side of the House do not agree with the government on that analysis.

We heard testimony during the review of Bill C-92, more specifically with the 21-year rule on private trusts. Other members of this House have quoted Mr. Brooks and the five salient points he raised during the hearings. I would like to mention those too because I think they probably best summarize the main reasons as to why we are objecting to this clause in the bill.

The 21-year rule extension on private trusts will clearly result in a number of Canada's wealthiest families paying less tax this year than they otherwise would. Canada's wealthiest families will be able to defer paying tax on their accrued capital gains substantially beyond what any other tax avoidance technique now permitted by the act would allow them.

Instead of creating one more loophole by which people can avoid or defer the deemed disposition of capital gains on death, the government should be closing the existing loopholes that permit what is described in the trade as estate freezing. Not one reason the government has put forward for making this change holds any water.

The 21-year rule extension is bad tax policy in the sense that there is no theoretical tax justification. It will only benefit high income people. In addition, it is bad economic policy. It will in effect lock more investments into private trusts on which large capital gains will accrue. People will be reluctant to sell their investments even though they might indeed be bad investments because of the large tax liability that is accruing over time.

Those five points I just went through were made by an expert witness, Professor Neil Brooks, associate dean of Osgoode Hall Law School at York University. He is a tax lawyer and an estate planner. They were not made by someone who does not know what he is talking about. He is very familiar with the tax laws of this country and he is most concerned that this government would be moving in that direction.

I would like to move on to the Liberal Party's motion, the amendment to clause 47, to remove the provisions that disqualify passive businesses from capital gains exemptions.

• (1315)

This issue, unlike the other one, was not discussed extensively in committee. It has been put forward because the bill continues the capital gains exemption on ownership of foreign assets. However it discontinues the capital gains exemption on passive business which is real estate.

If this government were saying to Canadians that it wanted to eliminate all the capital gains in this country for everyone on every issue, whether it was stocks and bonds or offshore investments or real estate, then I could agree with that. Or, if the government were making it so that everybody would receive the $100,000 exemption, then I could agree with that. However, what it is doing is taking away the $100,000 capital gains exemption from that small real estate investor.

Let me use the example of a retired person who receives a pension and owns a $200,000 semi-detached home. He or she pays the rent on their own side of the house. They have the other side of the house rented and that is what is maintaining their lifestyle in their retirement years. If they decide to sell their whole unit they will not receive the $100,000 capital gains exemption. Therefore, when I say that the small-term investor is the one being hurt through the real estate market, there are many senior citizens in particular who will be severely hurt by this measure.

However, the argument put forward to support the Liberal amendment is that this capital gains exemption on passive business must continue to give ordinary Canadians a break. I feel very strongly about that. I have had representations from many people in Nepean. Interestingly enough they were all senior citizens. They are the ones who need it the most. Their investment in real estate and apartment buildings must be supported.

The government is favouring Canadian foreign investment as it tends to foster employment and generate greater revenues in passive business. That appears to be the whole reason for wanting to go that particular route.

I could go on at great length on this. I would like to support this bill, I really would, because there are areas in Bill C-92 that I can agree with. But in these two particular areas I just feel it is so regressive. If the government would consider removing these two clauses from the bill then I am sure most of us on this side of the House probably could support it.

It is a shame that I must vote against a bill because of two particular clauses. I urge the government to reconsider those two particular aspects of the bill and to consider removing them.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-92 today and the amendment put forward by the hon. member for Sudbury. She has done a great job on behalf of our caucus in exposing some of the weaknesses in this bill.

Clearly in 1971 when the capital gains tax was brought in there was provision in it for private family trusts to be able to operate for 21 years without having to pay capital gains taxes on the appreciation of the assets in those family trusts. This was a very generous arrangement. However that time has now passed. It is time these family trusts were paying taxes on those assets. These are not trusts for the poorest and the weakest in our society, but they are family trusts for the strongest and most powerful, the richest families in this country.

• (1320)

The government has somehow suggested the capital gains on the capital appreciation in these trusts are being maintained to assist handicapped children. These are massive funds and estimates have been as high as billions and billions of dollars. Of course, the government keeps the exact amount secret.

The hon. member for Sudbury has put forward a proposal to end this arrangement and to have these very wealthy families pay taxes on the capital appreciation. Surely that is a fair and reasonable situation. After all, they have had the appreciation on these trusts for the past 21 years and now is the time that this should end. I would be very surprised if they have not had an opportunity to arrange for these circumstances during the past 21 years because until the government brought down its budget in 1992 there was no expectation that the government would knuckle under and extend this.

We have to look at what has happened in the last eight and one-half years. There have been 38 new taxes imposed on Canadians. It is interesting that most of

those taxes, practically all of them, have been regressive consumption taxes.

The consumption taxes, whether it is the GST, the sales tax which raises billions of dollars, or the excise tax on fuel, hurt low-income families and are more onerous on low-income families than on rich families.

What we have here is a pattern of activity by the government where it is imposing more and more regressive consumption taxes on low-income families. At the same time these private family trusts, which are mainly held by the richest and most powerful families in our nation, get a free ride on all the capital appreciation on the assets in those trusts. Nobody is able to identify exactly what those assets are worth or at least the government will not tell anybody. Clearly this is a tax which is designed for the rich and the powerful as most of the policies of the government are.

The free trade deal was designed to assist multinational corporations. Parent corporations in the United States with branch operations in Canada could shut down their Canadian branch plant operations while keeping the warehouse, but maybe not even that. Therefore, the jobs are lost in Canada and the benefits go back to the United States.

The rich get rich and the poor stay poor or even get poorer. It is the same way with the GST. The government talks about the GST being there mainly to assist the manufacturing industry in this country. The one thing the government never talked about was the windfall profit of some $4 billion to $5 billion which the manufacturing industry gained. Still in spite of it many of them moved to the United States.

We have a clear pattern of regressive sales tax hitting low and moderate income Canadians while at the same time opening the floodgates for the rich and powerful.

• (1325)

The hon. member for Sudbury has proposed that this end. I hope the government will consider it. Clearly there has been a very generous arrangement for the past 21 years, ever since the capital gains tax came in. Even at that, tax is only paid on the income from capital gains. Only three-quarters of it is brought into income.

This is the time to pass the amendment put forward in Motion No. 1 to end this whole arrangement now and treat everybody the same. The rich and powerful would pay capital gains on those private trusts, the same as any other taxpayer in this country. Those with fewer resources and less means have to pay taxes on whatever capital gains they have. In most cases there is very little there.

It has been well documented that private trusts in this country are a way that rich and powerful families move from generation to generation and maintain the control of large corporations without actually having to pay the corporation tax, generation after generation. This amendment is designed to end this arrangement and have private trusts treated like any other citizen, on a fair and equitable basis.

I hope the government will accept this amendment. I think it is fair and just. It may not be in keeping with the government's general philosophy about taxpayers, but it certainly is one that would command the support and respect of practically every Canadian.

Mr. René Soetens (Ontario): Mr. Speaker, I rise to participate in this debate. Listening to the hon. member's comments I will very quickly come to the 21-year rule in trust, but I am somewhat concerned.

He is talking about how unfair it is because it has created a special privilege for some, in his definition, high-income Canadians. He thinks everybody ought to be paying, but in the next breath he talks about the GST and how unfair that is. I guess it is unfair because everybody is paying and he would prefer that we establish some system whereby not everybody has to pay the GST. Therefore, he is going to have to decide: Does he want to treat everybody the same as we are doing under the GST, or does he want to treat everybody differently under different rules for different people? He is going to have to make that decision.

We cannot talk about it the way he was proposing. What we have here is this whole discussion of trusts and what has been established. If the member feels that the trusts which were established with the income tax changes back in 1972 were unreasonable or very beneficial—I am not sure if the member was in the House at that point but I would be interested in seeing how vigorously he voted in favour of that particular special privilege that had been put in place for these supposedly high-income Canadians.

What we are dealing with here is the establishment of some new rules on the trusts. The loophole was created in 1972 by the Liberals. If a trust was created 21 years ago and some time between then and now to avoid the 21-year rule you wanted to transfer the trust from one management group or one trustee to another, simply creating a new trustee and a new trust exempted you of the 21-year rule and you had another 21 years to deal with it. Therefore, what we are doing is taking away that opportunity to simply roll the trust from one trustee to another thereby avoiding the capital gains.

Somehow there is this idea that this is a massive scheme to avoid capital gains tax by the rich. However, what I have not heard mentioned today is that if any person in Canada wanted to establish a trust the rules that go into this can include people who own cottages. I live in the greater Toronto region and I know there are lots of people who own cottages. They would like to put a cottage into a trust so that should something happen to them their children would have a system whereby they could share the ownership of the cottage for their generation. This piece of legislation is going to allow that to happen without families having to reach into their pockets 20 years from now to pay capital gains.

• (1330)

How does this happen? In order for an asset to be put into a trust an evaluation has to be put on the asset going into the trust. The person establishing the trust has to pay the capital gains tax on the assets that are being put into the trust. Therefore, if there is one million dollars in assets that one wants to put into a trust, one has them valued. One discovers that one bought them for $500,000, one has now valued them at $1 million and you put them into the trust. In order to put them into the trust one has to pay the capital gains tax on the $500,000 increase in value. Therefore there has not been an avoidance of tax. In fact it seems as if there has been a prepayment of tax because normally one would not have to pay the income tax on that capital gain until such time as one actually sold or disposed of the asset.

What is happening is that if somebody wants to put an asset into a trust they have to pay the capital gains accrued to date up front.

There is this idea that once this thing is in a trust that one avoids tax. Let us come back to that million dollar asset that I talked about. We have now had the person pay capital gains tax on that. Let us presume that that is an income-generating asset. Whether it is shares in a company or a small business, that trust has to pay income tax on the money that the trust has earned every year. For argument's sake, they are earning $200,000 a year inside the trust so they have to pay income tax on the money that the trust is earning every year.

This idea that we are escaping the tax system by the creation of a trust is really very fictitious because in fact each and every year the income tax is paid by the trust.

Why would somebody want to put their assets into a trust? I have given you the example of someone who owns a cottage and who may want to put the cottage into a trust so that all the children can use the cottage for their lifetime and not have to worry about dividing it four ways and who is going to retain ownership.

It could also be a small business where one has three or four children who are working in a small business. Who owns the business on the death of the original owner? Here it is possible to put the shares of the small business into a trust for the benefit of the four children collectively but one does not have to divide the ownership. The ownership of the company is 100 per cent retained by the trust and therefore it is not a divided ownership. That is very beneficial. That ownership can stand there until, under these changes, the death of the immediate family.

Say that one wants to establish a trust for one's children. and say that the last child in the family dies at whatever age. Let us presume that they want to pass the company on or the trust on to their children. They have to again revalue all of the assets of the company and pay the capital gains tax on the revaluation. The business entity or the trust stays in but they have paid the tax. They pay the tax going in on the trust. They pay all the income tax that the trust should pay during the years of income and at the end of the trust they have to pay any additional accrued capital gains tax as well. They are caught all three ways.

What is not mentioned is that there could be a situation where someone of our age, Mr. Speaker, decides to put our assets in a trust for our children. You and I are certainly going to live another 40 or 50 years, we hope. What we are going to do is pay capital gains tax on our assets today that in fact we do not have to pay for

50 years if we simply kept ownership of them. What we are going to do as small-business owners is lend the Government of Canada, interest free and up front, the capital gains tax that we do not have to pay for 40 or 50 years. Nobody has mentioned that.

Why would a small business person want to do that? Again I have referenced the idea of trying to keep a small business holding together as one unit. I think it is a very important item that is on the agenda. If people want to take money out of a trust, if the trustee decides they are going to pay the beneficiaries, then of course there has to be some valuations and tax will be paid.

• (1335)

All the way through it seems that what has really been allowed with this rule is some reasonable asset planning for individuals from a small cottage holding to a large corporate holding. However, to suggest that this 21-year change or this trust is only for the benefit of the extremely well off I think is doing a disservice.

Yes, it is of benefit to them but in fairness this will benefit every Canadian who owns a cottage, every Canadian who owns a small business and every Canadian who may have some shareholdings that they would like to leave to their children as a unit rather than divide them up.

I am not sure why the opposition members would be opposed to this opportunity. They would prefer to leave the system the way it was 21 years ago when they created it where trusts would never have to pay tax, trusts would never have to pay capital gains tax and trusts would never have to declare their holdings to the government. At least here with this legislation some very clear time lines have been put in place and ultimately all Canadians are better served when the rules are clear rather than what existed prior to this legislation.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I too am happy to speak on this bill. I listened with a great deal of interest to my former colleague but still parliamentary friend from Ontario who gave a very learned dissertation in his most capable way on parts of this omnibus bill, Bill C-92.

The very lucid explanation he gave of parts of the bill is part of the problem that members face about Bill C-92. This bill is one of these omnibus bills which cover a multitude of matters. It is a regular smorgasbord of amendments to tax laws, unemployment laws, child benefit laws, the Tax Rebate Discounting Act, the pension plan and the income tax conventions.

Obviously in this bill there are an awful lot of good things that pose a dilemma to opposition members about confronting the bill as to how they are going to vote. One has the wheat with the chaff and it poses a dilemma. This is one of the reasons why my learned friend from Mississauga, when he used to be even more vocal and constructive in opposition, was so consistently against—this is the preamble to the report stage—these omnibus bills.

On this matter we are dealing with an amendment right now. There are other ways and there is another amendment that will take care of the problem outlined by my friend from Ontario in terms of protecting ordinary people's trusts in cottages and other matters like that. He spent the most time trying to explain away the pernicious part of this bill of extending this 21-year deferral to pay taxes another 21 years. That is a further generation.

I was in the House in 1972. I must say I would have to check the record to see how I finally voted on the bill because I was in Her Majesty's Loyal Opposition and very much so. This matter came forward from the opposition that day which was then the Conservative Party. The records will show that the then opposition, the Conservative Party, railed against the amendment brought in by the then government, the Trudeau government, setting up this 21-year deferral on taxes on estates.

This is of course what poses so many problems for the public out there. They see a party being very vociferous against a provision when it is in opposition and then it gets into power and either the advice of the bureaucrats or the pressure of the interest groups becomes so profound that it does a fundamental parliamentary flip flop.

This is what has really caused disillusionment about the system. Here I am speaking but I have not checked on just how I voted in 1972 when this matter was brought up.

• (1340)

However, whatever I did then I knew it was a controversial section of protecting trusts of some of the heavy, large and very important people who are fundamental to the country but who get an unfair tax advantage. This was so controversial that certainly no matter how I voted or what I said in 1972 part of the reason that the matter flew in 1972 and got through the House was that it was only going to be a one-term deal.

At the end of 21 years, January 1, 1993, after it was brought in in 1972, all the people who had these heavy trusts would have had time to do their estate planning to make sure that when the law was changed in January 1993 they would not be able to complain of some unfair tax problems or disadvantages that they were going to be confronted with.

Lo and behold, the present government brings in this provision to in effect extend the 21-year rule. This defers for another 21 years this whole business of taxing estates and trusts. As I say, one can avoid the problem of ordinary Canadians trying to set something up to protect their families so that their children will not be confronted with certain taxes upon the death of the person setting up the trust. A cottage was the example used by my friend from Ontario.

We are talking about the fundamental trusts of an awful lot of important families and groups of people in this country control who a large part of it. Frankly I have been a little surprised that this has not received more attention in the media of the day.

Of course, not being completely a naive person in this House I started to put together the subject matter of the bill, especially its 21-year extension, with how it is going to help a lot of very important Canadians who happen to own television stations and/or newspapers. I started to put two and two together I suppose in an over simplified way. I can appreciate why something that is so fundamental to the trust structure and/or corporate family structure of this country has not received public attention. However, that may be one of the reasons.

I agree with some members from before and certainly with the member from Ontario who is a very competent tax expert and specialist. He has been a very important player in the committees, more so than I. There were experts who appeared before the committee who supported Her Majesty's Loyal Opposition. There was the point of view of the member for Sudbury on this whole business of the 21-year extension.

That position was bolstered certainly by several professors. Sometimes one has to shake down the professors and the economists in their predictions and/or on tax law. When one gets something as precise as tax law rather than economies a layman has to pay attention.

There were professors who appeared before the committee when this matter was before the committee. They gave evidence on the 21-year rule. There was Professor Neil Brooks, an Associate Dean of Osgoode Law School at York University and Mr. Sidney Goldstein of Goldstein and Goldstein who is a tax lawyer and estate planner in Ontario.

Prof. Brooks had a definite confirmation without getting into any red herrings about family cottages and some little family trust that some responsible parent might try to set up to help make sure that his children do not get caught in paying for some estates. There are ways to do that. As I said, one of the amendments we are going to be debating after this one helps to do that in terms of protecting the children of ordinary Canadians to have a small asset.

We are talking about Canadians who are not ordinary who have many assets. Prof. Brooks along with Mr. Goldstein said unequivocally before that committee that the 21-year rule extension on private trusts would clearly result in a number of Canada's wealthiest families paying less tax this year than they otherwise would.

I see you are giving me the two-minute sign, Mr. Speaker and I always obey your admonition. There is so much one can say on such a large bill. The amazing thing about this in the last one minute and three quarters that I have left under this 10-minute rule is that there have been no figures supplied to the committee or to this House on how many millions or billions we are involved with here.

The range goes anywhere from $10 billion to $20 billion. I have to agree with my friends in the NDP from time to time on several matters. The hon. member for Winnipeg Transcona asked the Minister of Finance months ago about the omnibus bill and this section on the 21-year deferral. It was the first time I fully appreciated that the matter was back on the floor of the House and we were again going to try to perpetuate trusts of very important people for another 21 years down the road.

• (1345)

Goodness knows what the then government might have done to it then. The change was supposed to have taken effect 21 years later in January 1993. This bill of course makes it retroactive and extends it for another 21 years.

There are good things in the bill but there are many other matters in it which I have some question about. I was here in 1972 when the bill was sold on the basis of only 21 years and the family trusts were going to pay the same basic tax as other Canadian taxpayers. That is why I had no reason to vote against it. If this was so fundamental, surely the government should have told us how many dollars were involved.

In conclusion, there was something else that was strange before the committee. I am not a member of the committee but I read some of the committee evidence which said this change was not going to cause the problems and would not really be that much of a fundamental change. It was just shifting it down the road for another 21 years.

Mr. Speaker, you have indicated my time is up. I frankly think with this type of provision going in as silently as it is today for the members who support it their time will be up if they do not watch out.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this amendment has been moved to strike out the section of Bill C-92, which extends the 21-year rule for family trusts.

There is no question this is one of the most important pieces of legislation that will face this House of Commons this year. The extension of this family trust provision represents a colossal give-away to some of the wealthiest families in this country when the government is talking about its deficit problems and claiming it has serious revenue difficulties.

Here we have something that hands out millions and millions of dollars to those who are already wealthy. This has no logic economically or in terms of fiscal management. If we thought there might have been some logic associated with it all we had to do was listen to the arguments of the Department of Finance and the assessment of those arguments, not from Neil Brooks but from Sidney Goldstein.

He noted at the start of his comments as a witness in committee that he was speaking as someone who had supported the Conservative Party, yet here is his assessment of what the Department of Finance had said: "The rationales given by the Department of Finance are very strained". He went on to say: "Many of the arguments presented relating to this proposal somehow don't hold water as soon as you look at them. There are other far simpler ways these problems could have been solved. There are other ways of drafting these proposals that would have resulted in a more limited impact. That leads to the question of why this proposal is being put forward in this fashion".

• (1350)

Mr. Goldstein is a man who works with people who frankly are trying to use the family trust provision to avoid paying tax. This is his assessment, honestly put to the people of Canada by somebody who has no partisan axe to grind, put as a Conservative testifying to this committee. I quote again from the committee testimony:

> In my own practice and based on my professional contacts and various direct information—ignoring the speculation of what major estates in the country might benefit—the potential tax benefits from this proposal are in the millions of dollars. I do not act for the Desmarais, the Bronfmans or the Thomsons,

some of the large family holders of wealth in this country,

> but I do act for people who have substantial real estate holdings and substantial portfolios of publicly listed shares, and they will benefit significantly from this proposal.

So much for the myth which the Conservatives are trying to put to us that this is simply a housekeeping measure to try to stop people from shifting from one 21-year trust to another 21-year trust. Here is an expert in the field who calls himself a Conservative and says

very clearly to the people of Canada that this is going to cost all of us as taxpayers millions of dollars.

We also saw testimony from Neil Brooks, one of the foremost tax experts in this country, to that same committee. I know my friend the former finance committee chairman has quarrelled with Mr. Brooks every time Mr. Brooks has appeared before the Finance Committee. I find it interesting, however, that my friend from Mississauga South did not say anything with respect to the comments of Mr. Goldstein. Those comments came from a Conservative. They came from somebody who deals in the area and they made it very clear that this particular provision is a waste of millions of dollars to the people of Canada.

Mr. Brooks went somewhat further. He said and I quote his final comment:

> This amendment is bad tax policy because there is absolutely no theoretical tax justification for the amendment that is being proposed. It will only benefit high-income people.

In other words, there is nothing here that is going to help growth in the country. There is nothing that is going to lead to extra jobs for people in Canada. There is nothing that is going to create greater fairness in the burden of taxation for people across this country. Instead, this is the extension of a give away which the Liberal Party started. It is now being extended so grossly that it will give millions of dollars of extra benefits to some of the wealthiest families and some of the families who are simply wealthy in this country.

Why did things like this happen? Why should such a piece of legislation be brought before the House of Commons? The tax system is messed up badly and as we who talk to our constituents know it has increasingly hit middle income, working income people. Instead of correcting those problems in our tax system the government is bringing forward a set of proposals to help those people at the very top whose share of national market income in this country in the last six years under this Conservative government has gone up from 23 per cent to 26 per cent. They are already very wealthy. They have already received tremendous tax breaks and the government is giving them more tax breaks.

• (1355)

I am afraid there is something fundamentally rotten at the heart of our political system that it gives tax benefits to those who are wealthy instead of those who really need them. It concentrates the benefits at the top instead of among middle income, working Canadians who are so hard pressed.

The people on the Conservative side must surely now recognize it is time to change such an unfair, rotten, unjust approach and withdraw this amendment.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, this party is going to oppose Bill C-92. There are things in it which we agree with but we disagree with the part of the bill we are talking about now.

Bill C-92 is a measure of a government that believes Parliament should not help the weakest members of society do better but make life easier for the richest members of Canadian society. We should perhaps call it the comfort bill for family trust holders in Forest Hill Village, Rosedale, Upper Westmount, Park Lane Circle and perhaps parts of Shaughnessy in Vancouver. Sorry, I forgot the British Properties.

We believe the government is being deceitful by including this change in an omnibus bill which includes measures we support. The vast majority of our fellow citizens are subjected to an inheritance tax in the form of a deemed capital gains tax on death. There is no reason why those very few Canadians who are fortunate enough to have family trusts should have preferential treatment.

Those Canadians who are fortunate enough to take advantage of the 21-year rule were given 21 years to get their affairs in order, I put through you Mr. Speaker to the member for Mississauga South. Was it not enough time? There is no reason to extend what was more than generous deadline. Of course extending the 21-year rule is unfair to all of those who do not have family trusts.

We heard a lot this morning about Neil Brooks and what he said. He basically raised five points to the committee. The 21-year extension on private trusts will clearly result in a number of Canada's wealthiest families paying less tax this year than they otherwise would.

Second, Canada's wealthiest families will be able to defer paying tax on their accrued capital gains substantially beyond what other tax avoidance techniques now permit and the act would allow them to defer paying tax on capital gains.

Third, instead of creating one more loophole by which people can avoid or defer the deemed disposition of capital gains on death, this horrible government should be closing existing loopholes that permit what is described in the trade as estate freezing.

Fourth, the government has not put one reason forward as to why making this change holds any water.

Fifth, said tax expert Neil Brooks, the 21-year extension is bad tax policy in the sense that there is no theoretical tax justification. It will only benefit high-income Canadians.

In addition, this bad economic policy will in effect lock more investments into private trusts in which large capital gains will accrue. People will be reluctant to sell their investments even though they might be bad investments because of the large tax liability that is accruing over time.

Mr. Speaker: I regret I must interrupt the hon. member.

It being two o'clock p.m., pursuant to Standing Order 30(5) the House will now proceed to statements by members, pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

SMALL BUSINESS

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, this government has just passed new legislation that will encourage banks to increase their participation in small business financing.

This bill, which will make it more enticing to lend to small businesses, includes an increased ceiling on loan size from $100,000 to $250,000.

As well, businesses with yearly sales of $5 million will be eligible to apply, as opposed to the previous limit of $2 million. Even better, the federal loan guarantee has now been raised from 85 per cent to 90 per cent. A new addition of a retroactivity clause will make it possible for owners of small businesses to apply for loans six months after making a purchase.

Once again this government is taking positive steps to encourage entrepreneurship. I am hopeful that the banks will recognize these efforts and participate fully in this respect.

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ATLANTIC CANADA OPPORTUNITIES AGENCY

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise to bring to the attention of this House the plight of the people in the Annapolis basin area who are seeing their way of life threatened by actions of the minister responsible for ACOA.

The minister gave an ACOA grant without seeking any input from the people who already use the Annapolis basin: the clam diggers, the scallopers, the ground fishermen, the weir fishermen, the lobster fishermen, and the rockweed workers. These people do not need aquaculture, they need policies that will protect the existing industries in the Annapolis basin.

The minister obviously listens to the provincial minister of tourism when there are grants to be given out in Annapolis West, as was seen with the rock quarry and now with the announcement of a grant for aquaculture.

Giving out grants without knowing the effects shows the total disregard this Tory government has for the existing rights of those who live and fish in that area.

I call on the minister responsible for ACOA to put on hold the grant for aquaculture until public hearings have been held to determine the effect of such a grant on those people who earn their living from the Annapolis basin.

* * *

PUBLIC WORKS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the construction association of Prince Edward Island has joined the growing number of people and organizations urging the government to meet the requirements of the recent court decision regarding the fixed link and then begin construction without delay.

The association points out that a full 80 per cent of its workers, 3,700 people, are currently out of work with little hope for the future.

Islanders for a Better Tomorrow, another group representing business, labour, industry and the views of a clear majority of Prince Edward Islanders, has said: "Our main industries, our businesses, our working people, our unemployed and our children cannot afford to have this opportunity slip away due to the misguided efforts of a small and dwindling minority. Their supposed concern for the environment has proven to be selective and opportunistic. Decisive leadership and immediate action is therefore required on this project by the Minister of Public Works and the Parliament of Canada".

I once again add my voice to this call for action to proceed with this project which is extremely important to all of Atlantic Canada.

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MAGIC TUESDAY

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am proud to announce that tomorrow, Tuesday, March 30, is Magic Tuesday in my riding of Broadview—Greenwood. On Magic Tuesday all the proceeds from food sales in local restaurants go to the Children's Wish Foundation, a foundation that looks after kids who are terminally ill.

Tomorrow if people are in Toronto or are going through on a business or tourism trip they should go to the Danforth and go to either the Astoria Shish Kebob House, the Athenian Garden, the Ilissia, Mr. Greek, Omonia, Ouzeri, the Palace Restaurant on Pape, the Pappas Grill, the Patris Dining Lounge, or Philoxenia. All of the great Greek restaurants in Toronto welcome people on Magic Tuesday.

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REGIONAL DEVELOPMENT

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I rise today to commend the government on its progressive attitudes toward regional development.

It was only three weeks ago that I rose to voice my concerns about the direction the Community Futures Program was taking. As a result of a meeting between the Minister of Employment and Immigration and representatives of the Triple S group from Selkirk I can tell the House that cause for concern has changed. The minister listened to a fair and balanced presentation which has resulted in continued funding for the Triple S community futures group.

• (1405)

As I said in the beginning, I commend the government for funding success and working to eliminate failure.

* * *

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, almost five years ago the Minister of Agriculture closed the border to imports of American honey-bees.

This move was a surprise for many bee keepers who had relied upon imports of queens and starter colonies from California on an annual basis. The varroa mite and the tracheal mite were found in U.S. bees. As they had not existed in Canada to that date the closing made sense. Chemical control is being used in the United States but mites have since found their way into several regions of Canada.

The border closure order is in effect until this fall, which is too late for next year's planning. Bee keepers need to know now what the government's intention is. Will the border be allowed to open when the five-year closure order dies this fall or will the ministry extend the order to keep it closed?

The futures of jobs and a competitive honey industry in 1994 depend on an early decision.

* * *

HARASSMENT

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I rise in the House to address the problem facing women who are persistently harassed, intimidated and threatened by men.

Men who are former partners or social friends sometimes pester or threaten women to the point where they become confined to their homes in fear of the harassment that awaits them when they go about their daily lives.

Over half of the states in the U.S. have laws giving police a tool with which to lay serious charges against anyone whose pattern of harassment poses a credible threat of physical or psychological harm.

Police officers who deal directly with persons involved in stalking incidents throughout the U.S. and Canada support such legislation because it gives them a more effective tool with which to protect women.

I think it important to note that this is an issue that overwhelmingly affects women. I understand that the Minister of Justice is considering a number of legislative options. I urge him and the government to act quickly and address the issue of stalking before the problem increases.

* * *

NESTLE CANADA

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, management and factory workers at the Nestle plant in Chesterville are currently involved in a legal lock-out.

Last Thursday workers rejected a contract offer from the company which included a proposed continental work week. On Saturday the company implemented a lock-out.

As negotiations have currently ceased, management and labour are now faced with a situation which may impact on the future viability of the plant which employs 220 people in this community of 1,500 people.

Seventy per cent of the plant's production is exported to the U.S., and various economic pressures are being placed upon the plant to remain competitive in the U.S. marketplace and maintain its presence in Chesterville.

It is hoped that the management and workers at Nestle's Chesterville plant will be able to reach a mutually acceptable resolution to this dispute at the earliest opportunity.

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PEARSON INTERNATIONAL AIRPORT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the whole concept of the environmental panel review of major national programs is on the line because of the refusal of the Government of Canada, particularly the Minister of Transport, to follow the decision of the environmental review panel dealing with the Pearson airport expansion.

That environmental review panel rejected the government's view concerning the location of the north-south runway and the extent of that runway. Notwithstanding the total rejection of the government's proposal, the Minister of Transport has decided to proceed with the government's proposal in the government's way.

If the government is going to put the country to the expense of environmental review programs then the government has an obligation to follow through on them. If the environmental review panels will only be followed if they suit the government then the whole concept of the environmental review process is a ridiculous waste of taxpayers' money.

* * *

SOCIAL PROGRAMS

Ms. Mary Clancy (Halifax): Mr. Speaker, almost nine years ago the Prime Minister said the words that will haunt him to his grave. He said the Conservatives believed that Canada's social programs were a sacred trust.

Eight years later, Canadians have witnessed an unparalleled assault on the social programs by this government, on every front. The Tories went on a search and destroy mission. They whittled away at everything from medicare to unemployment insurance and penalized the poor, the weak and the sick.

We know where the PM, that is the puppet master, stands. But where does his hand-picked successor stand on Canada's social programs?

• (1410)

The Minister of National Defence told journalists on the weekend, and I quote: "It is time to recognize that we must target our social services". What does that mean? Which programs does the minister plan to target?

For the past four years she sat at the cabinet table cheering on the GST, the Mulroney trade deal and the de-Confederation of Canada. The minister is for multi-billion-dollar cold war attack helicopters and against our social programs. That is her sacred trust, and it is a disgrace.

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EDUCATION

Mr. Doug Fee (Red Deer): Mr. Speaker, during the government's consultation on the prosperity initiative one subject that came up many times was the need to

reconcile our educational system with a rapidly changing world.

One man in Red Deer is already grappling with this problem. Dr. Joe Freedman became involved in the educational system the way many of us do, as a concerned parent, but his concern about the quality of education prompted him to go one step further and undertake a comprehensive study of the Canadian educational system.

Dr. Freedman's report, entitled "Failing Grades", reviews major studies in the field of education. His conclusion is that Canadian students perform poorly in comparison with students in other industrial nations. He says that part of the solution is national co-ordination of educational policy.

Dr. Freedman's report deserves a serious second look. He has sent his video and report free of charge to every school superintendent in the country. Hopefully, they will receive it in the spirit in which it was delivered, as the work of a concerned parent who wants what is best for our country and its children.

* * *

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, last weekend at Laurentian University there was general consensus among economic experts that the government has its fundamentals all wrong.

Pierre Fortin from the Université de Québec à Montrèal charged that through its pursuit of zero inflation the Bank of Canada has driven the dollar too high so that foreign investors demand compensation in the form of higher interest rates.

John Smithin from York University said: "Experience seems to show that the economic slow-downs required to reduce inflation to a very low figure are much more severe and long-lasting, particularly in their impact on unemployment, than the public was originally led to believe".

Lars Osberg from Dalhousie blamed the Bank of Canada for costing the Canadian economy $70 billion per year with its pursuit of zero inflation.

When will this government leave this path of economic destruction and look seriously at the full employment solutions proposed by the New Democratic Party?

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VIOLENCE AGAINST WOMEN

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, the Secretary of State for External Affairs and the Minister Responsible for the Status of Women recently announced that as a result of a Canadian initiative the United Nations Commission on the Status of Women adopted the "Declaration on the Elimination of Violence Against Women".

The declaration states that violence against women impedes women's enjoyment of human rights and fundamental freedoms and calls on governments to exercise due diligence to prevent and punish acts of violence, whether perpetrated by the state, within the general community or within the home.

At the United Nations several delegations praised Canada's recent adoption of guidelines on women refugee claimants fearing gender-related persecution. These guidelines are the first of their kind in the world.

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UKRAINIAN CANADIANS

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, in 1988 the Minister of State for Multiculturalism and Citizenship indicated his willingness to negotiate with Canada's Ukrainian community for redress of its claims arising from internment during World War I.

To date, the minister and his cabinet colleagues have procrastinated and delayed, notwithstanding the adoption of a resolution by this House urging action by the government. Today Mary Haskett is in Ottawa. She is the last survivor of the Spirit Lake Internment Camp in Banff National Park.

She has written an open letter to the Prime Minister and I quote from it: "I may be the last survivor of Canada's first national internment operations. What happened to our family, to many of our friends, can never be undone. It was unwarranted. It was unjust. But

I believe that you, Mr. Prime Minister, have a unique and historic opportunity to show understanding and compassion for those who fell victim. Before you leave office I appeal to you to honour the Ukrainian Canadian community's request for acknowledgement and redress. Do what is right and just".

I urge the Prime Minister and his government to listen to these pleas and settle this issue.

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EDMONTON SURVEY

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, recently I sent questionnaires to my constituents to get their feedback on federal issues. Already thousands of surveys have been returned to my office. The high rate of response demonstrates my constituents' awareness of federal issues. They care about what goes on in Ottawa and they keep themselves informed.

• (1415)

When asked what federal issue is currently of greatest concern, one of the most common responses is the debt. Other issues of concern include the Young Offenders Act, the environment, and accountability of elected officials.

The overwhelming sense I am getting from these surveys is that the federal government must continue to reduce its spending. Edmontonians are prepared for the hard decisions that must be made, but they want their elected officials to share the burden. In particular my constituents think that the MP pension plan should be reviewed. They also feel that too much financial support is given to special interest groups.

Finally, the majority of respondents support the GST. They recognize that the GST is necessary but they insist that revenues continue to apply exclusively to debt reduction.

My constituents clearly want to be involved in the political process. We must make every effort to be responsive to their concerns.

* * *

CHILD POVERTY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, from March 28 to April 18 the Body Shop retail chain will be conducting a national campaign to combat child poverty. Its 105 stores will be displaying giant posters declaring that child poverty is a national disgrace. Their staff will be initiating letter-writing campaigns and encouraging community schools and city officials to become more involved in alleviating child poverty. In short, they will be devoting money and time to help reduce child poverty in Canada.

All of this comes at a time when the federal government has been busy looking at ways to redefine poverty rather than to solve it.

In 1984 over four million Canadians were living in poverty in this country and more than one million of them were children. According to the most recent statistics, still more than four million Canadians live in poverty and still more than one million of them are children.

The Body Shop is to be congratulated for its efforts to broaden awareness of poverty issues in Canada and for taking concrete action where the present government has only provided rhetoric.

This government should listen very carefully to this socially conscious business and act now to alleviate child poverty.

ORAL QUESTION PERIOD

[*Translation*]

SOCIAL PROGRAMS

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is directed to the Acting Prime Minister.

On the weekend two of his colleagues implied that the government and the party they may lead some day plan to cut social programs, especially medicare. On the other hand, on Friday the Minister of Finance, who was touring the country, announced that the government did not intend to drop the helicopter purchase program which to date will cost $5.8 billion.

I would like the Minister of Finance to tell me if he had a choice between cutting social programs and maintaining the $5.8 billion helicopter purchase which option he would choose, helicopters or maintaining social programs in Canada?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, we have been attempting to put in place the appropriate fiscal measures so that we can preserve and maintain the social safety net that we and Canadians have all been very proud of and wish to retain.

The difficulty we have is with the growing percentage of our revenues being allocated for debt servicing costs. It imposes very direct pressure upon our ability to finance social programs.

We have been attempting to take steps to stimulate growth, to encourage investment and to encourage job creation while at the same time contain expenditures and reduce the deficit as a percentage of GDP. That is what we have been doing and we have been quite successful in that regard.

Hon. Jean Chrétien (Leader of the Opposition): It is apparent, Mr. Speaker, that the Minister of Finance has no intention of commenting on the choice that the government has to make and that he does not want to cancel the famous helicopter program.

On Friday the Liberal Party indicated that there is a very urgent need at this moment for the government to get involved in the conversion of the national defence industry. Commenting on that proposition the Minister of National Defence said that it was a very "poor excuse for policy" and full of "bogus terminology".

I would like to know from the Minister of Finance if it is the view of this government that making sure there is a smooth transition from the military industry to a peacekeeping type of industry is not the priority of this government. The Americans have been moving into that field for some time now.

• (1420)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): The hon. Leader of the Opposition is commenting on why the government is not following the American example.

One of the reasons of course is that 60 per cent of the U.S. industry in the general defence sector is actually on defence projects. In Canada 70 per cent of our defence industry sector actually is in civilian production, not military production.

The Liberal Party said the DIPP program should be diverted to civilian use. In fact 80 per cent of DIPP expenditures are now diverted to civilian use. The reality is the problem that he is addressing is not the same problem in Canada that it is in the United States.

This is an important industry. As long as we are going to have an Armed Forces, and we will require one for the foreseeable future, I think it is appropriate that Canadian industry be able to supply at least some of the equipment the forces need.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, is the minister aware that there was a subcommittee of this House that produced a report last October indicating the need to move in that field quickly? Five members of that committee were members of his own party. They presented a unanimous report to the House of Commons. Why is the government not listening to the House of Commons rather than just dismissing some very important problems in Canada?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Not at all. We take reports of committees of this House of Commons very seriously. An example is the unanimous report of the House to get rid of the MST and replace it with a GST.

Another example is the unanimous report of a committee of this House, including Liberals and the NDP, to go ahead with the EH-101 helicopter contract. In terms of the report the hon. member was talking about, we do concede that primarily as a result of the referendum campaign this was put aside in view of other priorities, but it is the intention of the government to table a response to this report very soon.

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NATIONAL DEFENCE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Finance.

In his financial statement last December the government made a number of major defence cuts which severely limited our capacity to provide full-time professional peacekeeping forces. As a result 50 per cent of our peacekeepers are now reservists who have had to have a rush training.

Now the Minister of Finance says he refuses to cut helicopters but he is going to make other defence cuts, once again clearly endangering the capacity of this country to provide full, effective and efficient peacekeeping sources. In fact, we do not have a defence policy.

I ask the Minister of Finance if this government will table a new relevant defence policy before it brings forth a budget so that we will have a defence policy made for defence priorities and not simply by the Minister of Finance?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, to begin with, as I understand the position of the Liberal Party the EH-101 should not be proceeded with and instead we should update the ancient Sea Kings and Labradors.

The EH-101 calls for an expenditure of $350 million a year for 13 years. Updating the Sea Kings and Labradors would require about the same annual expenditure each year for the next six or seven years, after which we would end up with 40-year old helicopters nowhere near the equivalent of the EH-101s and unable to go out in really bad weather for search and rescue.

In terms of reservists the hon. member should take some time to meet some of our reservists because our reservists are first class, well trained and are not put into positions where they are in danger for lack of training. We have had a total force concept in place for a number of years and it is working rather well.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, it may come as information and I am sure it does to the hon. minister that in fact the United States marine corps and air force and the Japanese defence force are now flying updated Sea Kings with adequate and efficient capabilities to provide for search, rescue and anti-submarine warfare at one-tenth the cost of the EH-101 helicopters. It is about time this government began to understand the real priorities of this country.

I come back to the Minister of National Defence. Six months ago after extensive hearings the committee reported that there should be a major program of defence conversion. I want to quote from that committee: "The aim is to foster a leading edge, civilian as well as military, high technology in areas such as surveillance monitoring, verification, sovereignty protection and peacekeeping". That report was endorsed by Conservative members of the committee.

I ask the Deputy Prime Minister: Why did the Minister of National Defence speaking on behalf of the government reject this report in her statement on Friday? Why does this government not listen to a committee of the House of Commons including its own members?

• (1425)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, there was no rejection of the report. As I indicated, the report has not been responded to yet by the government.

In terms of conversion, as I indicated in response to the hon. member's leader, the Liberal Party has not even identified the problem, let alone the solution.

When it comes to the question of whether government should decide what industries should be pursued, we happen to believe the private sector can make those decisions better than government. We do not think there is any evidence anywhere in the world to show that governments do a good job of selecting winners as opposed to the private sector.

The hon. member might define what peacekeeping technologies are other than spy satellites. We are already involved in the satellite business to a high degree. How much more does he want?

Mr. Axworthy (Winnipeg South Centre): It's in the report, Harvie. Read the report.

Mr. Andre: The report has been read.

If the member is talking about environmental industries, he should check the record. He will see that the Canadian private sector is responding very vigorously to the opportunities in the environmental sector.

What the world has learned, but apparently not the hon. member, is that the private sector makes better decisions on priorities than governments.

[*Translation*]

DAYCARE

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Deputy Prime Minister. Today Statistics Canada published figures showing there is a real crisis in daycare in this country. More than half our children urgently need quality daycare. Parents can find none at an affordable price. Nevertheless this government remains adamant about not wanting to establish a national program that would provide quality, affordable day care and it remains intent on spending $5.8 billion on helicopters. Why not spend this money on our children? Do it, and do it now.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, to listen to the hon. member one would draw the conclusion that the government is not spending any money on children and does not consider children as a priority.

For the record and for all hon. members, perhaps it is timely to put on the record the kind of support that the federal government is providing to support children. Income support programs for 1993 in the form of a child tax—

Mr. McCurdy: You cut it out in B.C. and Ontario.

Mr. Mazankowski: Mr. Speaker, they ask the question and if they do not want the answer—

Ms. Mitchell: Talk about child care.

Mr. Mazankowski: I will get to that. In terms of income support the child tax benefit provides $5.1 billion; social assistance, $1.5 billion; CPP child benefits, $280 million; GST credit, $750 million; the employment support program, UI maternity and parental care, $1.4 billion; child care expense deductions, $300 million; child care under the CAP training program, $400 million, for a grand total of $9.3 billion per year. That is the amount for this year.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, it is clear that this government backed down on its promise in 1984 and 1988 to bring in a national child care program. The only conclusion Canadians can make is that this government agrees with the Conservative MP for Fraser Valley West who said essentially: "I see day care centres as little more than temporary orphanages".

I want to ask the Deputy Prime Minister if he is in agreement with that and if he feels that having over 600,000 children in unlicensed child care facilities is building a future for this country.

Will the Deputy Prime Minister build a real legacy for Canadian children and make sure that in the next budget his government brings in a national child care program?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Even the hon. member acknowledges the fact that we have a serious fiscal problem. It is encouraging to note that the leader in the province of Ontario is starting to recognize that fact.

Notwithstanding that, we have tried to appropriate a fair amount of money toward support of children, toward the support of maintaining the social safety net.

If the hon. member is suggesting that $9.3 billion which is directed to aid in support for children is an insignificant amount, then she and I are on different wavelengths.

• (1430)

While the hon. member suggests that she can spend $130 billion over the next five years and still bring the deficit down by $11 billion, I cannot follow her mathematics in that regard.

Hon. Audrey McLaughlin (Yukon): Well, Mr. Speaker, I cannot follow this government's logic.

This government says yes to cold war helicopters, yes to not taxing the wealthy's private trusts, yes to a business lunch deduction that costs Canadian taxpayers $1 billion but it says no to the children of Canada. By not putting in real programs it says no to making sure that Canadians get back to work.

Why give the rich a free lunch while there are children with no lunch? Will the Deputy Prime Minister look seriously at addressing the needs of children in this country and at the need for a national child care program so that their parents can participate in training, education and the work force?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, this government is not turning its back on children. It has improved the

programs for children step by step. A $9.3 billion program in support of children is certainly not an insignificant amount.

In terms of creating opportunities for job creation and new economic activity and growth, the hon. member is criticizing the small business sector. We have provided a number of initiatives and a number of incentives to help the small business sector. We have provided a number of incentives and initiatives to advance infrastructure and improvements in our infrastructure system. We have advanced a number of initiatives in terms of skills upgrading. All of this is in the name of providing an investment in people, in plant and equipment, and in an invigorated economy.

* * *

WESTRAY COAL MINE

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Deputy Prime Minister.

Approximately 11 months ago, 26 miners lost their lives at the Westray coal mine. A provincial inquiry has been stalled. The Nova Scotia government has lost $12 million. The federal government has lost $80 million. The families of the deceased miners are without answers as to how this tragedy occurred.

In view of the importance of the subject matter I ask the Deputy Prime Minister if he has now sought a progress report on the investigation from the commissioner of the RCMP. If so, will he share that information with the House? If not, why not?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am not at all sure that would be an appropriate thing for the government to do in terms of trying to direct the RCMP or to put pressure on it with regard to the matter. I am sure the RCMP will do its usual diligent job in that regard.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, as usual the hon. minister opposite wishes to twist the question.

What we are seeking from the Government of Canada is to ascertain from the commissioner of the RCMP where this investigation is going. Twenty-six men have lost their lives.

In point of fact, when we asked for information on the Westray disaster we received very little. The government would not tell us its role in the funding of this particular disaster. We had to go to the access to information provisions. We got 18 blank pages, 18 censored pages. That is what we received from the Government of Canada.

Will the minister responsible explain to Canadians why the government is covering up the information contained in those documents?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as the hon. member knows the Access to Information Act contains restrictions on what can be released.

For example, personal private information cannot be released because of the protection of the Privacy Act. There is commercial information which again is covered by other pieces of legislation and we simply cannot release it.

However, as the hon. member should know, all of this information has been given to the commission of inquiry in the province of Nova Scotia. The government is pleased that the legal obstacles to that commission have been removed. The commission will now be able to perform its function with access to all of the available information.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I have a question for the same minister on the same subject.

• (1435)

The minister knows that with respect to the Westray file $80 million of public funds have been lost by the federal government. Twelve million dollars of public funds have been lost by the Nova Scotia government. More important, 26 lives have been lost. Eighteen pages have not been lost; they have been hidden. They concern not personal information but public information about what cabinet knew, when it knew and what advice was made available.

Does the minister recognize a year later, a year after 26 lives were lost, that now is the time to come clean and give the people of Canada, and more important the

people of Pictou county, all the information with respect to this terrible and tragic mine disaster?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): As the hon. member knows, it was indeed a terrible disaster. This whole House was very sympathetic with the losses suffered by the families. The mine was proceeded with at the strong urging of everybody in Pictou county because of its economic benefits.

The disaster occurred. The mine is regulated by provincial jurisdiction, as the hon. member knows. The province has decided, I think quite properly, to proceed with an independent commission of inquiry. This government is co-operating 100 per cent with that commission of inquiry. It has provided all the information available to the commission of inquiry. I am sure the hon. member would not want to be accused of taking partisan advantage of a tragedy that has occurred and will let due process establish the truth.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, there are the 18 pages missing under access to information on the request for information on financing, on funding, on cabinet information, what information was in its hands when it made decisions about providing $80 million. Not only is that information missing, but specifically the CANMET report which was made public by the government last June and which we understood at the time was a complete document is missing seven additional pages, as we now see under the access to information request. Seven additional pages are missing in the CANMET report dealing with the suitability and advisability of proceeding with development of this mine and in fact, safety issues.

Given that it is not the provincial government and not the mine but the federal government that is burying or hiding 25 pages of crucial evidence about what cabinet knew and what advice was given to cabinet before $80 million of federal public funds were made available, does the minister not believe now, one year later, that it is appropriate that all evidence be laid on the table and that the cover-up end?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, no matter how loud the hon. member may raise his voice, that does not permit the government to break the law in respect to access to information.

The hon. member would be suitably and quite properly outraged if the government were to release his income tax files. Why does he not have the same concern for the privacy that might be violated through taking the kind of action he is suggesting we undertake?

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ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of the Environment.

I would like to question the minister regarding the ever-shrinking green plan. I would like the minister to explain why he has never publicly challenged the cuts from the green plan which has shrunk from the original Bouchard promise of $6 billion over five years to $5 billion over five years, to $3 billion over five years, to $3 billion over six years, to a 36 per cent cumulative cut for the coming year.

Would the minister tell Canadians why he has accepted these kinds of cuts to Canada's fragile environment in silence?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I cannot agree with the premise on which the member bases his question in terms of what had been said previously. One thing we have to establish is that the green plan itself, which is a sustainable development plan for Canada, is more than just the amount of money in the plan. Neither is it exclusively everything that we are doing in the area of the environment or sustainable development.

What we see in terms of expenditures over the last two years, for example, is that we have spent close to half a billion dollars in the area of sustainable development, specifically under the confines of the green plan. From year one to year two there has been a 36 per cent increase in spending.

If the hon. member wanted to look at the projected spending for the next year, he would also find there is a projected increase in spending of 23 per cent. That is a very substantial increase in spending in a period of fiscal restraint.

• (1440)

Mr. Jim Fulton (Skeena): Mr. Speaker, I am glad to hear the minister talking about sustainable development because I am sure he has now read with care the ruling of

the trial division of the Federal Court in relation to the fixed link to Prince Edward Island.

Not just the people in P.E.I. or New Brunswick but I think Canadians generally would like to know the position of someone who aspires to be the leader of his party and is presently the Minister of the Environment and therefore responsible for environmental assessment. Will the minister rise in his place and say today publicly that at least he supports a full, proper, public environmental assessment of the bridge proposed between Prince Edward Island and New Brunswick?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the hon. member knows very well that with regard to the environmental assessment process of the federal government which is now an Order in Council, we have had 54 court rulings over a period of time. The hon. member participated directly in the discussions. The government brought forward new legislation to deal with the issue of environmental assessment. In fact, we recently signed an agreement with Alberta for a one-window approach in this area.

That being said, we are actively discussing the ruling of the Federal Court in regard to the fixed link. We are going to have some discussions on how to approach it. There are legal considerations. There are two main points in the ruling: one relates to the environmental assessment itself and the other deals with a constitutional issue. We will want to examine those issues and come forward with a decision on how to proceed as rapidly as possible.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of the Environment.

No amount of creative accounting can disguise repeated cuts to the green plan. In December last year in the mini budget the Minister of Finance announced and the Minister of the Environment confirmed there would be $440 million this year in green plan spending. We now know that the government plans to spend only $351 million. That is another cut of 20 per cent, $90 million from the green plan.

Will the minister now confirm that the $90 million has gone out of the green plan and into a slush fund for pre-election spending?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, only my Liberal friend could in the same question accuse us of cutting and creating slush funds at the same time or simultaneously.

What I can answer and offer in terms of a response to my friend is a report we put out today, as we had committed to do, on the progress of the green plan itself. The numbers speak for themselves.

For the first year $210 million has been spent. For the year ending in a few days $286 million extra has been spent. That is close to half a billion dollars. If you project that in terms of its increase, it is a 36 per cent increase. If we look into the next year, we have an increase in funding of 23 per cent. That is the expenditures of Canadian taxpayers' money in the area of the green plan and sustainable development. I think it is a very, very substantial increase in spending.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary question is for the same minister.

The figures do, indeed, speak for themselves. When the green plan was announced in December of 1990, the government promised $3 billion over five years, or $600 million a year. In the plan's first three years the government has met less than half of that commitment.

I refer to the C.D. Howe Institute report of 1991 where it predicted that: "The green fund is likely to be used as a war chest for the Progressive Conservative government's campaign plans".

I ask the minister, why is the green plan left dying on the vine to store up a pre-election spending binge by his government?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the green plan, which is Canada's sustainable development plan, is recognized throughout the world as being one of the most innovative sustainable development plans that has been produced. There is good reason for that; it is in our interest to do that. Given the fact that our economy is based on natural resources, we are one of the industrialized countries in the world that lives the most off our environment.

In the area of the environment over all, the government is recognized as having done a lot. That is what President Clinton was able to recognize. I am sorry that

my hon. friend cannot do that. Just in the last year we dealt with the issue of CFCs and climate change. New regulations came forward in the area of the pulp and paper industry. We also brought forward new legislation, Bill C-42, the Wild Animal and Plant Protection Act. Bill C-13 came forward in the last year. We increased surveillance over the last year 40 per cent from where it was the year before.

• (1445)

We attended the earth summit in Rio de Janeiro. My hon. friend was there with us. We signed and ratified two international conventions, one on climate change, one on biodiversity, the first country in the world to do that.

I know you are very interested in this, Mr. Speaker, and I am glad you are asking me to go on. All of this was done by the government in the last year throughout the—

Some hon. members: Oh, oh.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is also for the Minister of the Environment, whom I wish well in his bid for the leadership of his party.

There is a widening gap between the government's preaching abilities and its actions. Both at home and abroad there has been a litany of broken promises.

Why has the government broken its commitment made in Rio by cutting and suspending aid to the poorest of the poor nations of this world? Why is the government so reluctant in refusing to ratify the Law of the Sea Convention? Why has the government missed the deadline for assessing 33 persistent toxic chemicals listed in the Canadian Environmental Protection Act? Why is the government failing to produce a national strategy for stabilizing greenhouse emissions? Why—

Mr. Speaker: That is certainly a collective question. I hope that the minister will be able to answer it expeditiously.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, let me address a few of those issues.

As far as toxic substances are concerned we have a priority substance list that includes 44 substances. An agreement was reached after an extensive stakeholder period dealing with that. We have dealt with 20 of those substances. We published reports on six.

In the area of climate change we have signed an international convention and ratified it December last. We have also made a commitment to producing by next spring our national report on climate change. We are working on an economic instruments paper concerning tradable permits to be able to put forward the solutions and the tools we need in the area of climate change. We have maintained our commitment to stabilization of 1990 levels.

Mr. Speaker: I think we will try another question.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, perhaps the minister may want to answer the following supplementary question.

Why does the finance department review the environmental regulations from a competitive perspective? Why is the government of which he is a member not allowing the environment department to conduct a review from a sustainability perspective as well?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I think my friend is referring to a process by which different departments were reviewing the regulations from a competitiveness perspective.

I want to stress that in our department we have worked a lot on the regulatory process. There is a recognition that we have to regulate better. Among the things we have to do for example is complement our regulatory approach with a voluntary approach and also through economic instruments.

We do have a stakeholder process assisting us to develop regulations so that they are presented in the most sustainable way possible for our economy.

* * *

IMMIGRATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the minister of immigration. It concerns procedures for applying the new guidelines for women refugee claimants who face gender discrimination.

The minister is aware that 35 women who fear persecution as a result of their gender are to be deported because they arrived in Canada before the new immigra-

tion rules took effect. Will the minister declare a moratorium on the deportation of these women and their children and allow them to remain in Canada on humanitarian and compassionate grounds?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, when we review a case all factors are taken into account. That includes the principles behind the guidelines on gender persecution which were issued on March 9, as well as any new information which is available concerning a rejected claimant's current situation and the situation in his or her home country. This is the process that takes place and it ensures fairness to all rejected refugee claimants.

• (1450)

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would hope that the minister, instead of just rubber stamping the previous opinions of local officials, which is what happened last week, would re-evaluate cases according to these new guidelines.

For Canada to deport women back to countries where they and their children face discrimination, depravation and danger is both cruel and inhumane. Why will the minister not use his ministerial powers and discretion to allow women like Amina Mohamed and these 34 other women who face gender discrimination to remain in Canada on humanitarian and compassionate grounds? Why will he not do this?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, between myself and my office literally hundreds of immigration cases are reviewed on humanitarian and compassionate grounds each year.

Some of them are accepted and some are refused. I have no intention of listing those cases. For this fiscal year, the policies and decisions of the government have resulted in more than 73,000 cases being approved on humanitarian and compassionate grounds alone.

That is almost equal to the total number of immigrants that the Liberal Party of Canada let into Canada in 1984.

* * *

FISHERIES

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the minister of fisheries. It refers to the lobster fishermen in the Northumberland Strait.

For more than two years the lobster fishermen in the Northumberland Strait have voluntarily accepted a larger carapace size for lobsters. During that time they have asked the DFO to also accept that larger carapace size in regulation.

Last week DFO announced that it would not accept the larger carapace size. Would the department reconsider its decision and if not, why not?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the question of lobster carapace size is one of divided opinion in the maritime provinces, particularly between certain lobster fishermen located in New Brunswick and Nova Scotia as compared to lobster fishermen in Prince Edward Island.

About one year ago, with the agreement of the three provincial governments involved, we appointed a firm of consultants to do an in-depth study of the situation, whether this is a step that should be taken. We have the report of that study now but we have not had sufficient time to consult with all interested groups before the season opens on April 30.

While over all the report recommends that we should allow an increase in the carapace size—

Mr. Dionne: Time.

Mr. Crosbie: This is an important issue before anybody in the Liberal Party bellows time. Although the report points out that there are positive advantages to proceeding in this way, there would be a short-term decrease in employment in processing.

Mr. Speaker: I think we really must press on.

* * *

CHARITIES

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, my question is for the Minister of Finance and it deals with the annual minimum disbursement quota of registered foundations where they have to spend 4.5 per cent of their assets.

As everybody knows, for the last two years interest rates have been very quickly dropping, to the point where the income of these charitable foundations is very low. They do not have the resources they normally would have.

Is the minister planning on making changes in the way the government directs these foundations to disburse their assets?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is correct in what he says, the allocation of 4.5 per cent of the value of the assets of charitable organizations are to be devoted to charitable purposes.

I should tell the hon. member that there is no direct relationship between this formula and interest rates. In other words, this formula does not track interest rates. I will take the hon. member's submission as a representation but I am not contemplating any changes at this time.

* * *

• (1455)

INDIAN AFFAIRS

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, in the absence of the minister of health, my question is for the Deputy Prime Minister.

Last week aboriginal leaders met in Ottawa at a National Suicide Prevention Workshop to discuss the growing crisis of youth suicides in their communities. Tragically at the same time two youths in one of the communities that I represent committed suicide within a day of each other.

The minister of health heard that the communities need both human and financial resources to design and implement their own crisis intervention programs.

We have been talking in this House, at least myself and many others, since 1988 about the crisis of youth suicide in aboriginal communities. I would like to ask the Deputy Prime Minister if it is time for action or is it still time to talk and talk and study the issue some more?

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to offer our deepest sympathies to the families of the two youths who took their lives last week in northern Ontario.

This cannot be resolved just by governments. There is a major problem with suicides specifically in our aboriginal communities. We are working with the aboriginal communities, the people and the band leaders to resolve some of their difficulties.

However, all we have to do is just look back at the last few decades where most of the programs have been government-driven and have not succeeded. We have to work with the families and the band leaders to put in the necessary social services to give those youngsters some hope for the future.

Mr. Robert D. Nault (Kenora—Rainy River): I must say, with all due respect, Mr. Speaker, I have stood in this place many times and asked the same question and I continue to get the same answer, that we cannot just throw money at the issue and we have to let the communities do it themselves. The communities are still waiting for the government to make up its mind whether the issue of teen suicide, of mental health for aboriginal people, is truly a priority of the government.

If this were truly a priority of the government it would have already made up its mind to put this issue to the communities in order for them to create their own crisis intervention program.

I ask the member one last time before we go to the polls: Are we going to talk about it and talk about it or are we truly going to do something about this major crisis?

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I will see that this is at the top of our agenda. We take it very seriously.

As I said before, we will offer social services for mental health and suicide treatment which is what the community wants and what the band leaders want. We will not act unilaterally, as has happened in the past, and see this fail. We are going to succeed. The only way we can succeed is through teamwork. That means the youngsters, the families, the bands, the governments, the communities and all the agencies working together to give those people hope.

* * *

BEEF INDUSTRY

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, my question is for the Minister of State for Agriculture.

The U.S. market takes about 40 per cent of all beef produced in Canada and about 95 per cent of our beef exports. The Canadian Cattlemen's Association is now very worried that the Price Stabilization Program put in place by the government since 1985 is going to endanger these exports severely.

Will the government tell us if it is prepared to accommodate our beef producers by changing the nature of this program?

[*Translation*]

Hon. Pierre Blais (Minister of Justice, Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, first of all, the National Tripartite Stabilization Program, which has been in place for several years, meets national standards for bilateral trade with the Americans as well as international trade standards. The U.S. government appeared three times before a binational panel on free trade but its claims were rejected. The program meets international regulations.

However, the Stabilization Program is now being reviewed by the parties involved. The provinces are also involved in the program. It is a tripartite program involving the provinces, the federal government and producers.

We are all working together to find ways to improve the program. We have never rejected it. However, any changes should not be considered in the light of problems we have with the Americans because there is absolutely no connection. We have stood firm so far. The program legally conforms to international regulations. We were successful in our claims before international tribunals, and this will happen again.

• (1500)

Mr. David Kilgour (Edmonton—Southeast): Mr. Speaker, that is not an answer to my question.

[*English*]

The minister knows that the Dunkel proposals at the ongoing GATT negotiations call for an end to price-based support for farm products.

Can our beef producers across Canada be assured that their proposals which are compatible with Mr. Dunkel's will be accepted and put into place this year?

[*Translation*]

Hon. Pierre Blais (Minister of Justice, Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, we have had meetings with the Minister of Finance and the Minister of Agriculture. We are meeting on a very regular basis. The Liberal Prime Minister at the time never met farm producers during the 16 years he was in power, but we are having meetings on an almost monthly basis now. We do not need any advice on how we should deal with these representatives.

We have introduced two national programs, NISA and GRIP, which are an adequate response to existing needs. We have the stabilization program, in place and these programs are being reviewed regularly. If we can make any improvements in response to current needs we will do so. We will not act unilaterally but in consultation with producers.

* * *

[*English*]

PRIVILEGE

COMPREHENSIVE RESPONSE TO COMMITTEE REPORT

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, as you know under Standing Order 109 the government is required within 150 days of the presentation of a report from a standing or special committee to table a comprehensive response.

On September 16 the Standing Committee on External Affairs and International Trade tabled *The Future of Canadian Military Goods, Production and Export*. It is 195 days or six and a half months since it was tabled. It is far past the required deadline. The government is in breach of the privileges of the members of this House and I would ask them to respond immediately and fulfil its commitment under the Standing Orders.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I answered that question in Question Period and acknowledged we are behind on that and gave the reason. It had to do with ministers being very occupied with the referendum debate and simply not getting to it. It will be coming in shortly.

Mr. Speaker: The House may know that I am seized with a similar problem which I am considering. I think on this I will reserve because I may want to deal with it all at once.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 11 petitions.

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

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PETITIONS

GENERIC DRUGS

Mr. Jim Karpoff (Surrey North): Mr. Speaker, pursuant to Standing Order 36, I have two petitions to present. The first one is signed by a large number of people from my own riding and other parts of British Columbia. They point out that generic non-brand drugs are cheaper than brand name drugs.

They call upon the government to repeal Bill C-91 and Bill C-22.

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a very large number of petitions pointing out that the new NAFTA agreement will prevent any future government from bringing back generic drugs. This will result in a harmonization of our social policies with those of the United States and will increase our health care costs in Canada.

The petitioners call on this House to reject the North American free trade agreement.

• (1505)

WATER DIVERSION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition on behalf of a number of residents of British Columbia in a variety of communities. I will not name these individually.

The petitioners point out their concern regarding the announced intention of a firm in Vancouver to divert the North Thompson River in an effort to sell a million cubic feet of water in the San Diego, California, area. They notice that President Clinton is negotiating a number of side deals and that water was never an exempted commodity in the trade deal.

They ask the Government of Canada to either negotiate a side deal or point out conclusively that water is an exempted category in the FTA and NAFTA.

CROATIA

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have the honour of presenting petitions on three different subjects this afternoon.

First, I have a petition signed by several thousand Canadians from coast to coast to coast pointing out that the Republic of Croatia and the Republic of Bosnia-Hercegovina have been recognized as independent states by Canada and that they have both met all the necessary conditions for the establishment of diplomatic relations.

The petitioners point out that a number of countries and the United Nations have established diplomatic relations and that in the case of Croatia 61 countries have established diplomatic relations. They point out that the Croatian community in Canada is denied the benefits of diplomatic relations, including representation, trade and export programs and immigration programs while residing in Canada and visiting the Republic of Croatia and the Republic of Bosnia-Hercegovina.

Therefore, they call upon Parliament to establish full diplomatic relations with the Republic of Croatia and the Republic of Bosnia-Hercegovina.

IMMIGRATION

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have another group of petitions, signed by residents of British Columbia, including my own constituency of Burnaby—Kingsway, which notes that the federal government, through Immigration Canada, is in the process of eliminating services now available to the public. The petitioners have expressed particular concern about central processing units for immigration.

They note that the New Westminster Canada Immigration Centre provides good local service and this will be withdrawn to a less efficient, less accessible and already overworked Vancouver Immigration Centre. They note particularly there will be problems with accessibility.

Therefore, they call upon Parliament to demand that the government not eliminate in-person services and not close local Immigration Canada offices across the country.

CHRISTINE LAMONT AND DAVID SPENCER

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, finally I have the honour to present a petition which is again signed by hundreds of residents of British Columbia.

It notes that two Canadians, Christine Lamont and David Spencer, who have been sentenced to 28 years each in a Brazilian prison have suffered miscarriages of justice, cruel and unusual treatment in Brazilian prisons and discrimination in sentencing and parole. The cumulative effect of these irregularities provides ample ground for the government to seek a remedy and that the remedy in question is expulsion in accordance with Brazilian law.

Therefore the petitioners call upon Parliament to urge the Secretary of State for External Affairs, who is in the House today, to request the Government of Brazil to expel Christine Lamont and David Spencer and return them to Canada

I certainly hope this plea will be listened to by the minister.

VIOLENCE AGAINST WOMEN AND CHILDREN

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I have the privilege of presenting to Parliament today, pursuant to Standing Order 36, petitions that have been duly signed by citizens of my community who are calling upon Parliament to provide a remedy for the incidence of violence against women and children.

The petitioners state that the present social climate is such that many women feel intimidated or afraid to report incidents of assault or abuse, that aboriginal, visible minority, immigrant, disabled, lesbian and poor women face additional overwhelming barriers in reporting violence or abuse and receiving help.

Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to accept legislation designed to eliminate violence against women and children and to encourage and support women to report incidents of assault or abuse and to provide assistance and support for women reporting assault or abuse.

They are also asking the government to develop a law that will concentrate special efforts on the training of police, lawyers, court workers and judges to become knowledgeable about women and child abuse and also to focus public attention on this very important and long-ignored problem.

* * *

• (1510)

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, Question No. 471 will be answered today.

[*Text*]

Question No. 471—**Mr. Proud:**

With respect to the Department of Industry, Science and Technology, does it administer any grant programs to companies or individuals and, if so, (*a*) what are they (*b*) what do they cost individually?

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): For fiscal year 1991-92 and fiscal year 1992-93 to date contributions accepted by corporations under Industry, Science and Technology Canada programs are as follows:

Offers Accepted from April 1, 1991 to date

Program	Assistance for PY 1991–92 ($)	Assistance for PY 1992–93 ($)	Total Assistance ($)
ABDP	44,676,376	28,460,566	73,136,942
ABPD–RA	2,884,260	5,322,311	8,206,571
ACC	36,091,500	18,226,360	54,317,860
AMTAP	2,819,444	3,021,258	5,840,702
ARAP	25,000,000		25,000,000
C–CTR	10,000,000		10,000,000
CTMNO	305,500		305,500
DESA–AR	2,264,967	3,132,652	5,397,619
DESA–BA	1,790,770	1,000,000	2,790,770
DESA–DL	2,125,000	1,385,910	3,510,910
DESA–EO	105,048	1,390,353	1,495,401
DESA–KJ		3,273,705	3,273,705
DESA–MK	225,000		225,000
DESA–MM	150,500	2,243,894	2,394,394
DESA–OH	1,000,000		1,000,000
DESA–SE	737,832	296,793	1,034,625
DESA–SG	439,360	1,000,379	1,439,739
DESA–TD	132,475		132,475
DESA–TE	5,600	136,171	141,771
DESA–TF	52,500	952,863	1,005,363
DESA–UD	1,046,540		1,046,540
DESA–UE	2,393,725	2,876,568	5,270,293
DESA–UH		127,036	127,036
DESA–UJ		1,468	1,468
DESA–WD	193,125		193,125
DIPP	352,107,858	40,397,510	392,505,368
EAP	695,975	282,950	978,925
ETCP		1,900,000	1,900,000
ETDP	1,625,601	6,566,700	8,192,301
FEDNO	7,493,412	9,032,528	16,525,940
GCNPO	1,080,170	873,085	1,953,255
ISTCS	306,718,400	36,725,000	343,443,400
JSTF	306,331		306,331
MSDP	12,688,711	1,899,000	14,587,711
SC		137,079	137,079
SC–AC	2,642,135	3,195,011	5,837,146
SC–FP	1,639,682	2,640,531	4,280,213
SC–FPMD	15,810,000		15,810,000
SC–FPRD	5,438,911	1,457,729	6,896,640
SC–TF	336,775	86,826	423,601
ST–BT	12,996,702	836,402	13,833,104
ST–IM	1,836,644	5,396,141	7,232,785
ST–IT	15,140,075	462,255	15,602,330
ST–P	5,322,700		5,322,700
TOP	16,721,109	9,415,365	26,136,545
TOP–M	787,751	104,000	891,751
Grand Total	**895,828,544**	**194,256,390**	**1,090,084,934**

Program	Program Description
ABDP	Aboriginal Business Development and Joint Ventures Program Aboriginal Business Development
ABDP–RA	Aboriginal Business Development and Joint Ventures Program Aboriginal Business Development Research and Advocacy
ACC	Aboriginal Capital Corporations
AMTAP	Advanced Manufacturing Technology Application Program
ARAP	Acid Rain Abatment Program
C–CTR	Ontario Cultural & Convention Centres
CTMNO	Co–operative Tourism Marketing Initiative in Northern Ontario
DESA–AR	Subagreement with Newfoundland Cooperation on Tourism & Historic Resources
DESA–BA	Subagreement with Quebec Scientific and Technological Development – Can – Quebec
DESA–DL	Cooperation on Tourism Development
DESA–EO	Subagreement with Nova Scotia Tourism Development Cooperation
DESA–KJ	Subagreement with Quebec Tourism Development in Quebec – 1992–97
DESA–MK	Subagreement with Ontario Tourism Development
DESA–MM	Subagreement with Ontario Northern Ontario Development Agreement (NODA)
DESA–OH	Subagreement with Manitoba Tourism Development
DESA–SE	Subagreement with Northwest Territories Canada/NWT Small Business Development Subagreement
DESA–SG	Subagreement with Northwest Territories Cooperation on Tourism & Entrepreneurship Development
DESA–TD	Subagreement with Yukon Small Business Incentive
DESA–TE	Subagreement with Yukon Small Business Support Co–operation
DESA–TF	Subagreement with Yukon Tourism Co–operation
DESA–UD	Subagreement with Alberta Tourism Development
DESA–UE	Subagreement with Alberta Northern Development
DESA–UH	Subagreement with Alberta Co–operation on Northern Development
DESA–UJ	Subagreement with Alberta Business and Community Development

Program	Program Description
DESA-WD	Subagreement with British Columbia Tourism Industry Development
DIPP	Defence Industry Productivity Program
EAP	Entrepreneurship Awareness Program G&C
ETCP	Environmental Technology Commercialization Program Environmental Technology Commercialization - G&C
ETDP	St-Lawrence River Environmental Technology Dvlmt Prog (ETDP) St-Lawrence River Environmental Dvlmt Prog G&C
FEDNO	Federal Economic Develpment Initiative in Northern Ontario
GCNPO	Grants & Contributions for Non-Profit Organizations Program
ISTCS	ISTC Act- Special Assistance
JSTF	Japan Science & Technology Fund Japan S&T Fund - Industry Component
MSBP	Microelectronics & Systems Development Program
SC	Sector Campaign Assessment Element
SC-AC	Sector Campaign Automotive Components G&C
SC-FP	Sector Campaign Fishery Products G&C
SC-FPMD	Sector Campaign Forest Products Market Development G&C
SC-FPRD	Sector Campaign Forest Products R & D/Innovation G&C
SC-TF	Sector Campaign Forest Products - Timber Frame - G&C
ST-BT	Strategic Technologies Bio-Technology
ST-IM	Strategic Technologies Advanced Industrial Materials
ST-IT	Strategic Technologies Information Technology
ST-P	Strategic Technologies Information Technology Precarn - Grants and Contributions
TOP	Technology Outreach Program
TOP-M	Technology Outreach Program-Advanced Industrial Material

[*English*]

The Acting Speaker (Mr. DeBlois): The questions as enumerated by the parliamentary secretary have been answered.

Mr. McCreath: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

WAYS AND MEANS

INCOME TAX ACT

Hon. Doug Lewis (for the Minister of Finance) moved that a ways and means motion to amend the Income Tax Act, laid upon the Table on Wednesday, March 24, 1993, be concurred in.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

Motion agreed to.

* * *

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related acts as reported (with amendment) from the Standing Committee on Finance and Motion No. 1.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to participate in the debate this afternoon.

I had quite a bit of time to consider the remarks that I am about to make. Upon lengthy reflection, I want to address a few points. In particular, I want to support my colleague's Motion No. 1, concerning the infamous 21-year rule.

I want to offer my sincere thanks to the member for Sudbury who I know has been very active in condemning this issue as have several other members. The 21-year rule is the Robin Hood in reverse rule. It is designed specifically to give help to those who least need it, which sounds like government policy right away.

As my distinguished colleague from Algoma says, we all remember the GST, which is another example of laws designed to benefit the rich. Let us get into this 21-year rule. What will it do?

Professor Neil Brooks addressed the committee. He is associate dean of the Osgoode Law School. He said that this rule would provide an extension on private trusts that will clearly result in a number of Canada's wealthiest families paying less tax this year than they otherwise would. Let us get all of this straight. What are we doing here?

Many clauses in the bill are good. Some clauses are totally offensive, namely this one, which gives a tax break to the absolutely wealthiest people in Canada. Why does one want to give an additional tax break to billionaires?

I do not know about you, but I do not even know a billionaire. Why do we want to give them this kind of a tax break? I am looking forward to the 10-minute speeches that we are having now on report stage for a government member to stand in this House and tell us why this is good for Canada.

• (1515)

Let us have none of this nonsense of saying this is a bill designed to help children or something like that. This is a bill designed to help the wealthy get a tax break at the expense of those at the other end who have been subjected to no less than 37 or 38 tax increases.

Mr. Foster: Thirty-eight now.

Mr. Boudria: My colleague from Algoma says 38 now, and he is always correct on this. We have been subjected to 38 different tax increases by the Conservative Party.

How does it work? It works roughly like this: Canada's wealthiest families will be able to defer paying taxes on the accrued capital gains, substantially what is beyond any other tax avoidance technique. In other words, once they have run out of all this other tax avoidance stuff they can invoke this particular rule. It is kind of like having two goalies in the net. In case the puck misses the first one the rich have this extra large hockey stick which can deflect anything right at the back of the first one. This would allow people to defer the paying of tax on capital gains. This has been described in the industry as estate freezing.

Not one reason for having this bill thus far invoked by the government even addresses, at least not in a substantial way, why it wants to have this clause in the bill or why it is necessary for us to retain it.

This is simply bad policy. It is bad policy because it tells Canadians at the lower end and medium end, and even some at the upper end, of the tax scale that there are ways around taxes providing people can establish these trusts and they are rich enough to know how to make them work.

There are other issues in this bill. One which I want to address very briefly is the capital gains exemption. I happen to be a person who thinks that there should not be capital gains exemptions, period. Even if the government and I disagree on that point the least we could agree on is that the rule be applied consistently to everyone. If the government is going to have the capital gains exemption rule, so be it. However, why does it exempt particular kinds of assets the way it has?

Let me give a parallel. If one plays the stock market on speculative stock on the Vancouver Stock Exchange, for

instance, penny stocks and the like, that is capital gains exempt. Any accrual of capital gains is exempt from tax, up to the maximum of $100,000 providing it qualified. On the other hand, a small investor at home who buys the apartment block next door, or who wants to build an apartment building with three units in it—not one with a bunch of employees that can be written off as a business but just one building next door to that person's house, and we do have a housing shortage in Canada right now—later on when that person sells the triplex then that person would pay capital gains on that.

This is at the same time as we have exempted the investor that I just described a few moments ago and we have exempted someone selling his horse in Kentucky or his painting somewhere in a gallery, perhaps not even in Canada. The accrual of capital gains on the horse or painting I have just described would be tax exempt, but selling the vacant lot or selling the triplex apartment building next door would not be exempt. Why? Why are we doing this to people involved in that particular industry?

• (1520)

Personally I do not own any kind of real estate other than my own home. My constituents are complaining about this. Yes, people in the real estate business are complaining as well, and I have good reason to hear what real estate agents say, with two of them in my own household. However, this is not designed to benefit real estate agents but to plug up a perceived loophole for investors in real estate, not for people who sell it.

Those investors in small real estate units no longer can have this deduction. I and my colleagues say: Have one rule and have it for everyone. If the government wants to do away with the exemption, there was none when this government came to power in 1984 so I cannot criticize that. However, it should not pick selectively as it is doing now because that is wrong.

My colleagues have made all these points in our representation at the committee level. We have introduced amendments and we feel that they are important. Many measures in this bill are good measures but those two, the ones I have just described, are not. In particular, the frozen trust issue or the 21-year rule is bad. It is simply bad and we should not renew those provisions at all. We are clearly sending a bad message to the people of Canada, particularly at a time of record debt and record deficit, mostly caused by this government across the way. We are sending a message to Canadians that we want to tax the poor more and tax the rich less. That is the long and the short of it and I want no part of it.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure to stand today and speak in support of the amendment of the member for Sudbury with respect to clause 42 and the provisions of the private family trust legislation, bringing the family trust to a close and making family trusts taxable at the present time.

Let us start by looking at what a private family trust is. It is a legal instrument used to pass on assets to beneficiaries of the trust, who are often spouses, children or grandchildren. Even a simple private trust costs thousands of dollars to set up, so it is apparent from this definition that private family trusts are set up by those who are eminently wealthy, those with lots of money behind them who are specifically looking for loopholes and ways to legally avoid taxation.

Let us look at the history of this legislation. The current legislation, which is presently drawing to a close, covering the private family trusts goes back 21 years to 1972 during the Liberal administration when it eliminated the estate taxes and the capital gains tax was introduced. This provision then exempted from being taxed for the period of 21 years assets put into a family trust, the idea being that they could escape paying taxes on the assets held within the trust itself for that period of time until maturity of 21 years when taxation would be paid on the capital assets of the trust itself.

What the proposal in this legislation does is extend that exemption from 21 years to the lifetime of the person for whom it is held in trust. The arguments by the government side for doing this are varied and many.

• (1525)

One of the arguments used is that this will help those people who are disabled and that it would be unfair to tax them now. To contradict that particular argument it is very clear that over a 21-year period of time there is a lot of time to have set up the alternatives to paying lump sum taxation. There are provisions within the Income Tax Act allowing the income tax to be paid over a 10-year period.

It is fairly clear that if people have 21 years, which is more time than most of us have for various tax provisions, to set up and get ready for a tax it is only reasonable to think that after that period of time provision would have been made within the trust to pay it out. It seems that this change is simply a method of once again rewarding the wealthy and the supporters of the government.

Let us look at some things that some professionals are saying about these particular changes. I would like to quote three of the professionals who have appeared before the committee or who have had things to say about this. The first one is Sidney Goldstein, of Goldstein & Goldstein in Ottawa, who said simply:

> There is no question that it represents a massive windfall for existing trusts.

Kathryn Bush of Blake Cassels said:

> A cynical person might suggest that pressure from influential political supporters also should be listed as a reason for the draft legislation.

Neil Brooks, the associate dean of Osgoode Hall Law School, said:

> The government has given Canada's wealthiest families notice that it intends to give them a gift worth several billion dollars.

Let us look at some of the evidence that was given before the legislative committee on Bill C–92. I refer specifically to the evidence given by Mr. Sidney Goldstein, who said in his introductory remarks:

> —given the view that there was some affiliation with Tories,

Referring to himself he said:

> I too am questioning the appropriateness and purposes of this proposal.

He then went on to state further in his evidence:

> The proposal here, and I second Professor Brooks' comment, is more generous than any other proposal in the act.

He was referring to the Income Tax Act. He continued:

> One of the propositions that was raised here in this committee was that it was really no different from deferring tax by giving everything to your children. Here you're just deferring tax until the last of your children dies, or that's the theory.
>
> The fact is that's not what's being done. The deferral is until the last of a class of persons dies, potentially.

He went on to state:

> —the potential tax benefits from this proposal are in the millions of dollars.

Toward the end of his testimony he stated as follows:

> There is no suggestion here that any particular use of these funds for any particular benefit is going to be encouraged as a result of this proposal.

It is clear that this is a tax windfall to these people. There is a cost to the federal government, to our revenue coffers, that amounts to a substantial amount of money.

It is not unlike the arguments of the Ministry of Finance when it is asked about the tax havens and the tax loopholes uncovered by the Auditor General of Canada, which we in our party have been pointing out for a long time. The government simply says that to be competitive we must allow them to exist. Yet when we talk to the officials from Revenue Canada they tell us that there are many ways of closing those tax loopholes. They say there are many things that can be done that will not impede the competitiveness of our international corporations but will make billions of dollars.

It has been suggested to me by one Revenue Canada tax official that billions of dollars in taxes are flowing out of this country as a result of these tax havens. This is simply another example of the government refusing to bring in fair taxation, of the government refusing to attack the wealthiest in this nation to ensure they pay their fair share.

• (1530)

Let me turn just briefly to the comments of Dr. Neil Brooks, associate dean of Osgoode Hall. He said that the amendment in this particular bill, Bill C–92:

> —will clearly result in a number of Canada's wealthy families paying less tax this year than they otherwise would. There just can't be any question about that.

In Dr. Brooks' final comment to the committee he stated that the amendment:

> —is bad tax policy because there is absolutely no theoretical tax justification for the amendment that's being proposed. It will only benefit high–income people.

That is why I must support the member for Sudbury in her amendment to ensure that the trust provisions that were brought in have a termination point which is the same as when it was set up back in 1972. The time to end that is January 1, 1993. It should be ended. This particular provision should not be allowed to go through to give the wealthiest families in Canada that further tax break. They have had 21 years to prepare for their taxation.

Now I say to those wealthy families in Canada: "Pay the piper. The time has come to help Canada and the rest of Canadians get a fair taxation system on the ground now".

Mr. Hawkes: I rise on a point of order, Mr. Speaker. Although I have not been a party to it, I understand that there have been some discussions among the parties and there is a willingness to adjourn the debate on Bill C-92 at this time and move to Bill S-8 as the subject matter before the House. That is what I have been informed, and I think there would be unanimous consent for that.

The Acting Speaker (Mr. DeBlois): The hon. members have heard the terms of the motion. Is there unanimous consent?

Some hon. members: Agreed.

* * *

MOTOR VEHICLE SAFETY ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill S-8, an act to regulate the manufacture and importation of motor vehicles and motor vehicle equipment to reduce the risk of death, injury and damage to property and the environment, as reported (with amendment) from the Standing Committee on Transport.

Hon. Doug Lewis (for the Minister of Transport) moved that the bill be concurred in.

Motion agreed to.

The Acting Speaker (Mr. DeBlois): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Lewis (for the Minister of Transport) moved that the bill be read the third time and passed.

• (1535)

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, it is my pleasure to add my comments to this debate today after having been a part of the debate for about three years actually through consultation with the Department of Transport, officials and various ministers.

I have taken an interest in this bill because I have a little history in the transportation business having been an auto retailer for almost 20 years and a manufacturer of travel trailers and other kinds of trailers. I have been very much involved with the Motor Vehicle Safety Act in both the retail and manufacturing areas.

For about three years we have had exhaustive discussions with the industry, consumers affairs organizations and organizations representing all aspects of the automobile industry. I do believe that we have as a group exhausted all possible permutations and combinations of possibilities for this bill. There have been many people and organizations involved with this and I was just one of them.

I had a chance to express my views here in the House on several occasions. I think it was nine altogether. I testified at a Senate committee on the bill. I have spoken to three separate ministers of transport on the bill and I spent virtually endless hours with officials explaining my position and my concerns with the bill.

Basically my concerns were that there was a double standard. It resulted from U.S. cars being allowed to be imported into Canada and qualified under a separate standard than cars brought through the Canadian system. There were two sets of rules. One was for imported cars and the other was for non-imported cars. That had a serious effect on consumers and their safety. It also had an impact on the business community where there was a double standard and not a level playing field.

To make a three-year story a little shorter, I would just like to say that through the good work of the committee in amendments and discussion they have come through with some amendments that address all my concerns and resolve them all. They create an opportunity to develop further regulations to implement the principles as outlined in the amendments to the bill. Generally speaking I come away very satisfied with the system. It works. All the organizations that expressed their concerns about the bill have been heard from and certainly there has been a consensus on the result. I think it will satisfy most of the participants.

I personally would like to express my own appreciation to the Department of Transport officials who have spent virtually endless hours with me on this. They have had a great deal of patience and a great deal of understanding in trying to see my point of view, which I did my best to express. I eventually was successful in explaining to them my concerns in such a way that they were able to agree to

the amendments that would correct any problem I had with Bill S-8.

The officials have taken a great deal of time to understand my position and also the positions of all the organizations both from the business community and the consumers groups that have expressed themselves.

They have asked me actually to thank the organizations, associations and officials that have taken a lot of time to develop briefs and to make presentations both to them individually, to them as Department of Transport officials and also to the committee. They appreciate the input and the briefs from all aspects. I too appreciate the industry and the associations that have taken a lot of time and trouble to develop these proposals and briefs.

With the amendments to the bill certainly there will be a lot more input required and a lot more co-operation from consumers, consumers' associations and the industry to make sure the principles outlined in the bill and the amendments are implemented in the best possible way with the least possible paper work. This is so that they will affect the industry and consumers in a positive way and in reflection of the principles outlined.

I and the department officials and the Minister of Transport all look forward to that continuing co-operation with the associations. We are most anxious to get on with it when the bill passes and receives Royal Assent.

I would again like to thank the officials for their patience in dealing with me over the years with this issue and I thank you, Mr. Speaker, for the opportunity to speak my piece on the bill.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to speak on behalf of the national Liberal caucus on this bill.

• (1540)

I want to congratulate the hon. member for Ottawa South who is the Liberal transport critic as you will know, Mr. Speaker, and as I am sure as all Canadians know. I congratulate him for his fine work and other Liberal colleagues both in this House and in the other place who have worked toward this bill.

I want to indicate first of all our support for the current piece of legislation. I recognize there is a need to have rules with regard to the importation of vehicles that will be beneficial to Canadians, will not harm trade and certainly not cause major inconveniences for Canadians.

We know that at the present time, particularly since January 1, 1993, it is possible to import from the United States, at least theoretically, any car no matter how new. Prior to the Canada-U.S. Free Trade Agreement cars that were less than 15 years old were effectively barred from entry into Canada. Cars that were older than 15 years were designated as antiques, I think. They were permitted to be purchased providing the duties and so on were paid.

With the advent over recent years of rules with regard to motor vehicle safety such as emissions and so on, it became clear that the newer cars being imported could still have other problems at the border even if they were allowed into Canada under the Canada-U.S. Free Trade Agreement. There is the situation where for instance many U.S. cars do not have metric odometers although some of them do. They have different rules on child restraint devices. It became difficult for people who were importing the vehicle to ascertain whether or not the vehicle they had already purchased could even be made to conform to these new rules.

Now with the national safety mark and with the passage of Bill S-8 there will be a framework at least by which this will be made possible.

Of course we are still concerned with ensuring that cars that come into this country whether new or used—I say that on behalf of my colleagues—are as green as possible. I am not referring to the colour of the dashboard or the paint job but to the requirement for emission standards to be such that they ensure that cars will provide for the cleanest environment.

There is also a section of this bill which provides for what is known as an emission credit where companies can actually bank on the fact that they have produced a large number of efficient cars and then they can trade in

some of these credits for a few gas guzzlers every now and then.

That is not such a bad thing in a way providing that these rules are progressively tightened. This is so that even if one does sell a gas guzzler, the over-all incentive is to produce more and more environmentally friendly vehicles. The idea is acceptable as long as that remains part of the understanding. It must remain not only the over-all objective but it has to be paramount in what is permitted in the legislation.

• (1545)

As one who has sat on the consumer and corporate affairs committee and the government operations committee of the House, I have long been concerned with the actions of some people in Canada whereby the new price stickers are removed seemingly by the retailer or perhaps by middlemen—or middle people if we cannot say that anymore in order to be politically correct—from the vehicles prior to arriving on the lot.

The difficulty with that is that the consumer is given the so-called retail price by people in the industry. He or she has no way to ascertain whether that information is authentic or whether one is getting an alleged $2,000 while the real discount is only about $10 or something.

It is very hard to get that information here in Canada. Increasingly we find cars on lots—I have had the experience many times—where someone very neatly with a razor blade removed all the amounts but not the motor vehicle description.

At the consumer and corporate affairs committee a couple of years ago I had occasion to question an automobile manufacturer who was there. I asked this manufacturer why it is that dealers do this in Canada. In the United States it is an offence to tamper with those stickers prior to the automobile being purchased by a customer.

He said: "Well, they were probably just cleaning the windows". I said: "Is it not ironic that people clean windows in a strip about one and a half inches wide just where the numbers are and do not clean the rest of the window or the part of the sticker that has the description of what the car has except for that part which has the amount?"

That was just a little hard to believe. I even suggested to that witness at that time that he should speak at a committee as though he were under oath, not putting too fine a point on it. In other words, I did not believe him.

I want to bring that to the attention of the House. As the automobile industry becomes more and more of a trans-border one—like it or not, that is done—I think it is important for us to ensure that at the very least the consumers on this side of the border get the same kind of protection that the consumers are getting on the other side. This is particularly so when as soon as a car is one day old one can sell it across the border with relative ease at the present time.

It is important that our consumers be given every benefit that consumers are getting south of the border as well. I thought it was a good occasion to bring this issue to the attention of the House. Perhaps there is an off chance that automobile manufacturers are listening to the debate this afternoon. I hope that when they clean windows in the future they do not clean them in strips one and a half inches wide where the numbers are and leave the rest of it there.

In future all the people interested can have a look at what was the manufacturer's suggested retail price. Then they can compare that with the alleged discount that any dealer says he or she is giving on the car. They can find out whether or not the so-called deal or savings they are getting is the one that is being announced by the dealer as such.

With that I will conclude my remarks and again add my words of appreciation to the hon. member for Ottawa South and other colleagues for their fine work at the committee stage and at earlier stages of this bill.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to participate in third reading debate of Bill S-8, the Motor Vehicle Safety Act.

I am a member of the Standing Committee on Transport which reviewed this legislation. We took the bill out of this House and sent it to committee. We thought perhaps one or two witnesses might deal with the specific elements contained within the bill, such as the new rules regarding imported automobiles, the emission credits or

the consolidation of the legislation. What surprised me was the number of people who came in to talk about the question of wrecked vehicles being brought across the border and the interprovincial trade of wrecked vehicles. That followed a concern I had raised during debate at second reading, which in turn was prompted by some work the Thunder Bay Automotive Trades Association did in terms of making me aware of the issue.

• (1550)

I want to spend my time today talking about that aspect of the legislation. I think we saw a real willingness by the government and the departmental staff to work with the committee to find the appropriate way to deal with the concerns within the context of federal law. Obviously there are certain matters that are beyond the purview of the federal government. Once a vehicle has been manufactured and sold for the first time at the retail level it becomes the responsibility of the provincial authorities. One of the dilemmas we faced was how to do something in federal legislation that we genuinely wanted to do but found there were some very real barriers to doing.

I think the regulations prescribed by this bill will ensure that used vehicles coming across the border will be brought up to the appropriate safety standards. That is clear in the bill. They will also ensure they are also brought up to standard structurally.

The committee amended the bill. There was some wondering ahead of time whether a bill that started out in the other place would be easily amended in the House of Commons, knowing full well that once it was amended it would have to go back to the other place. But to the credit of the government members on the committee that was not an obstacle. In fact the amendment I am going to read was put forward by them in response to a number of issues that had been raised by me and witnesses before the committee. The amendment provides for some greater flexibility, but also greater certainty with the regulations. I just want to read it into the record.

The bill was to be amended by striking out lines 21 to 33 on page 5 and substituting the following therefor:

> (2) except as otherwise provided by the regulations, a vehicle that has been sold at the retail level in the United States and that fails to satisfy an applicable requirement of section 5 or 6 may be imported into Canada, notwithstanding that section, if the person importing the vehicle makes a declaration in the prescribed form and manner that before the vehicle is presented for registration under the laws of the province the vehicle (a) will be made to conform to that requirement; and (b) will be certified in the prescribed form and manner to so conform by such person as may be designated by the regulations.

The second part of the amendment was that after line 44 on page 5 the following is added:

> (4) a vehicle that is imported into Canada must conform to the standard prescribed for the class of equivalent non-imported vehicle or made to conform to the standard prior to the presentation for registration under the laws of a province.

It sounds complicated but the committee decided—and these amendments were supported by all members in the committee—to make it clear there has to be a process. People cannot just bring cars to the Canada-U.S. border and promise to repair them. The government cannot just hope they do. The government has recognized there needs to be some degree of certainty there.

As members will know, we normally do not see regulations when we are dealing with legislation. One of the problems we have from time to time is ensuring the regulations are actually going to do what they are supposed to do. We have a commitment from the officials of the department that before the regulations are finalized with regard to the question of automobile imports they will come back to us in the transport committee and ask for our reaction.

• (1555)

They have gone even further than that. They have already given us a broad outline of the kinds of things they want to do which will go a long way toward meeting a lot of the testimony we heard from the witnesses.

I just want to report to the House on those specifics.

Safety and emissions regulations governing importation are under the Motor Vehicle Safety Act administered by Transport Canada.

Transport Canada will establish a network of registered certifiers operating under the supervision of a national registrar. The system could be linked to existing manufacturers or dealer networks established indepen-

dently under a third party contracted to Transport Canada or be a combination of these options.

Just as an aside, one of the concerns we raised was about the person who lives in Red Lake who wants to bring in a vehicle. Does he or she have to come back to Thunder Bay, Dryden or Kenora where there is an authorized dealer, or can he or she have that work done in Red Lake and certified by a licensed authority or designated authority in that community? That is one of the things we are going to be looking at when the regulations come back to us.

A list is published quarterly of U.S. vehicles eligible for importation. Most vehicles will be included. Exceptions will be those U.S. vehicles not meeting Canadian occupant restraint standards and specialty vehicles such as limousines or recreational vehicles where compliance with U.S. or Canadian standards is unsubstantiated.

Canadian entry will require (a) proof of compliance with U.S. safety standards, either by statement of compliance label or letter from original manufacturer; (b) eligibility for importation based on compliance with specified standards, for example occupant restraint systems; (c) completion of Transport Canada documentation requirements including a vehicle description and an affidavit to bring the vehicle into compliance with required Canadian standards.

In addition, one of the items raised because of the testimony before the committee was the little known fact that any Canadian wanting to import a vehicle from the United States must give the U.S. authorities 72 hours notice of his or her intention to do so. We are told that very few, if any, people actually do that. Currently when somebody brings that car to the Canadian border—we all know one does not stop first at American Customs and then cross the river and check in at Canadian Customs, one just starts at the Canadian side—we do not ask about that.

We have asked the departmental officials to take a look at that specific item to see if we can require importers to show proof they have complied with American laws. That is one way to deal with the question of thefts. That is one way to deal with the question of vehicles that have been written off because a number of states can provide a description of the history of that vehicle. That would assist the Canadian authorities in determining the appropriateness of that vehicle coming across or, at the very least, the degree of work required to bring that vehicle up to Canadian standards.

Getting back to the draft provisional list of possible regulations or the broad concepts, vehicle modifications are performed or may be performed by the importers' choice of company or by registered certifier. Notices of defect may be handled at no charge by a Canadian representative of the manufacturer or by the national registrar for a fee.

Vehicle modifications are inspected and approved by a registered certifier and documentation sent to the national registrar.

An approved copy of the documentation is provided to the importer for the proof of compliance necessary to have the vehicle licensed by a province.

One of the other areas we raised in committee is the question of vehicles that have been structurally damaged. We are hoping the regulations will be some kind of trigger mechanism that will require a licensed mechanic to at the very least take a look under the vehicle to see whether anything has been welded into the vehicle that should not be in a particular place, or whether there have been any welds to the frame. I want to come back to that in a moment.

That is the general direction the department is going to take in terms of the regulations. It has indicated it believes it can be back to us within approximately a month to run through the actual wording to see whether or not we feel it is suitable as it relates to what we have heard.

I want to turn to the question of wrecks. I do so in the context that in part this legislation does allow the federal government to take a look at those things coming across the Canada–U.S. border. Under Canadian constitutional law it really is difficult for us to deal with anything domestically. We know from testimony before the committee by the department officials that a committee of the Canadian Council of Motor Transport Administrators is attempting to develop a protocol nation-wide so that when a wrecked vehicle comes across this information is recorded and distributed to all provinces so they are aware of it. That is the second part of it.

• (1600)

There is a national committee made up of representatives of each of the provincial jurisdictions as well as the federal jurisdiction which is trying to come to grips with this.

Looking at some of the testimony presented to us in written form, this group was unable to appear. It is the Automotive Retailers Association of British Columbia. Its document was endorsed by the National Automotive Trades Association of Canada. The association which is an affiliation of regional and provincial associations representing Canada's retail automotive service industry in part says: "Our provincial affiliate in British Columbia has forwarded to you a brief which is representative of all of our member associations across Canada. We therefore wish to make you aware that NATA gives full endorsement to the brief submitted by ARA, the Automotive Retailers Association of British Columbia. It speaks on behalf of all of us".

I would like to read the section that deals with what is called rebuilt write-offs. It is entitled "The Nature of the Problem".

> Insurance companies classify collision damaged vehicles as "write-offs" when the estimated cost of repairs exceeds the remaining actual cash value of the vehicle, or is greater than the cash value less the salvage value. The term "write-off", therefore, does not necessarily denote an inoperable wreck—nor a piece of junk! Frequently, it refers to a good, late model, low mileage vehicle which has suffered extensive collision damage that an insurer estimates would be uneconomical to repair. If properly rebuilt, such vehicles can provide adequate transportation and good value.
>
> Insurance companies sell write-offs to the following classes of customers:
>
> a) Licensed auto recyclers or wreckers and used parts suppliers, who dismantle cars and sell undamaged used parts to body shops and other businesses, as well as to private customers.
>
> b) Licensed auto body shops and professional rebuilders.

And this is the key one:

> c) Private individuals—often amateur rebuilders.
>
> The vehicles sold to body shops and rebuilders are repaired and returned, in most cases, to our roads and highways. Many of these units are rebuilt by qualified technicians using proper repair equipment techniques. As such, these vehicles once again may become an economical and safe mode of transportation.
>
> However, many other rebuilt write-offs are rebuilt in dangerously unsafe fashion—either for private use or resale, by private individuals or amateur mechanics—who may be unskilled and ignorant and use inadequate tools and equipment. In such cases, frames may be spliced in unsafe places, such as beneath doors or in torsion boxes, which means welds result in rigidity in areas where manufacturers and designers intended a degree of "give" or yield. Also, steering and suspension parts, rods and spindles which are bent and which should be replaced are instead heated and hammered back into shape. The result is crystallisation and metal fatigue—leading to breakage. For example, cast steel spindles which have been heated can shatter on impact! The workmanship involved in so-called repairs of this sort is often of a quality which can only be described as horrifying!

They also go on to talk about the extent of the problem and they sort of ask rhetorically:

> Are these examples of shoddy workmanship simply isolated incidents? Just how serious can these shoddy repairs be? Why is this problem receiving so much attention now?
>
> The answers to these questions have a common bond: the changing technology used in the manufacture of today's automobiles.
>
> As oil prices climbed in the early 1970s, auto manufacturers scrambled to produce smaller and more fuel efficient automobiles. Engineers developed new models which employed front wheel drive technology, used high-strength low-alloy steel in structural components and utilized "unibody" or "monococque" construction.
>
> Today's automobile is a radical departure from those found on our highways even 10 years ago!

Those that I suspect all of us at one time tinkered with in our backyards trying to keep them on the road.

> No longer are we seeing the classic sedan, with its frame construction and heavy sheet metal panels. Today's car employs unibody construction, with no frame in the traditional sense and with considerably lighter sheet metal. With unibody cars, the sheet metal is attached to a subframe and the subframe and sheet metal form the "unibody". This represents the structural integrity of the vehicle.
>
> Tolerances are more closely defined. Repair technicians must now work to tolerances that are within millimetres—with little room for error!
>
> Many collision shops have made large investments in sophisticated measuring and pulling equipment, which allows them to repair vehicles to tolerances defined by the manufacturers. The extensive use of high-strength low-alloy steels has necessitated the use of Mig welding equipment, to retain the integrity of these critical components after welding.
>
> Unfortunately, most amateur rebuilders possess neither the equipment nor the training necessary to properly repair today's unibody vehicles. When proper techniques and procedures are not used in the repair of these highly sophisticated automobiles, the result is often a vehicle which could be described as a potential "death trap"!

• (1605)

We saw some examples of that. One of the witnesses came before the committee with a video tape of a *60 Minutes* program. They had taken a crew to a number of automobile retail outlets in the United States where people were buying cars that in fact were two cars. The cars had been wrecked, the front end had been chopped off and another one welded in its place. These were totally unsafe vehicles. They were not telling their customers that these had been recycled vehicles. In fact it was shown on the tape that people were saying: "It has never been scratched. It has never been repainted". It was more than scratched and it was more than repainted. It was totally rebuilt using the front end of one car and the back end of another. That is the kind of vehicle we are concerned about.

I certainly know from the testimony we heard that members on all sides of the committee were quite concerned about what was happening. But they were also frustrated that we as a federal Parliament could only do so much and that it was really up to our provincial and territorial colleagues to put in place the kind of legislative regime that is possible.

The province of Quebec has a regime in place. If you take a vehicle to the motor licensing branch of the province of Quebec, if it is a used vehicle you have to bring with you a picture that shows it has been examined on a full body frame. That is a special piece of equipment which is available in body shops. The licensing branch knows that it has been inspected by a qualified body mechanic who has an understanding of the structural integrity of the vehicle and therefore can indicate whether the vehicle has been recycled.

We need to have that kind of approach adopted right across the country. I would encourage the Minister of Transport to press his provincial colleagues through the committee of the Canadian Council of Motor Transport Administrators to do that very thing, to really accelerate their work. They will be meeting some time in the next month or two to accelerate their work and to bring together a national standard.

Certainly we have seen in the area of the environment where the federal government has adopted a policy after consultation with the provinces and then the provinces have enacted it in law.

It is important that we do that. It is important that all members in this House contact their respective provincial ministers of transport to put pressure on them to go along.

Finally, and I know I only have one minute, there are a number of other areas where the federal government can take a lead. For example, although it does not have legal jurisdiction there could be a national data bank to which all provinces could send their vehicle registration information and where all police departments could easily pull it out.

We need to work with the provinces to ensure that the environmental controls we put in cars are maintained because at the federal level we can only decide what the starting quality is. We have no jurisdiction on ensuring that they are repaired and maintained. That is up to the provinces. We need a national standard so that we can adopt basically what B.C. has done in terms of its clean air controls and its mandatory inspections, as I understand it, of pollution equipment.

There is a lot more work to be done. My compliments to my colleagues on the committee and my compliments to the government for its willingness to address these areas.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

* * *

• (1610)

INCOME TAX ACT

NOTICE OF ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-92

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I wish to advise the House an agreement could not be reached under the provisions of Standing Order 78(1) or (2) with respect to the report stage and third reading of Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting

Act, the Unemployment Insurance Act and certain related acts.

Under the provision of Standing Order 78(3), I give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allocating a specified number of days or hours for the consideration and disposal of proceedings at the said stages.

Mr. Angus: Mr. Speaker, I rise on a point of order, I just reflect back to when the hon. member was the House leader and we always had agreement. I do not know what has happened in the meantime.

* * *

CONFLICT OF INTERESTS OF PUBLIC OFFICE HOLDERS ACT

MEASURE TO ENACT

Hon. Doug Lewis (for the Prime Minister) moved that Bill C-116, an act to provide for greater certainty in the reconciliation of the personal interests and duties of office of public office holders, to establish a Conflict of Interests Commission, to amend the Parliament of Canada Act and to make consequential amendments to other acts, be read the second time and referred to a legislative committee in the Departmental envelope.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I am pleased to rise on the second reading of Bill C-116, an act to provide for greater certainty in the reconciliation of the personal interests and duties of public office holders, to establish a Conflict of Interests Commission, to amend the Parliament of Canada Act and to make consequential amendments to other acts.

As hon. members will know the bill is really a response to the joint committee's report on conflict of interest that was received by the government in June. That was a unanimous committee report of the Senate and the House working together. This bill to a large extent reflects the unanimity of that committee report.

Each one of us understands the task before us is important, not only because of the direct impact this proposed legislation will have on us personally as parliamentarians but also because of its implications for the operation of parliamentary government in Canada.

As parliamentarians we have all sought office in this place for one principal reason: to serve the interests of Canadians so that their hopes and desires and those of their children and their children's children are properly and fully realized.

It has been sadly unfashionable and all too common to criticize and call into question the motives of politicians. Unfortunately there are always some people who abuse public office for their own personal gain and do not live up to the trust bestowed upon them when they are elected or appointed to public office. These few individuals are rightly the object of public criticism and censure.

It is nevertheless distressing to all of us as parliamentarians to work within an environment where every action we take as we carry on the duties of our offices is subject to scrutiny in the expectation that we are sinners and we are going to do something wrong and that in everything we do we are hiding something. That is the reason for this legislation.

• (1615)

The problem of conflict of interest is a perennial one. It dates back to the origins of democracy itself. There were such problems in ancient Greece and Rome. These difficulties have persisted over the centuries. Nonetheless the problem of conflict of interest is perennial as are our obligations to overcome it.

Political leaders if they are to act effectively must have and deserve to have the trust and confidence of the people they represent. This trust, which is not to be given lightly, can only be fostered in a political situation where there is a system of openness and accountability.

All the players in such a system must know and understand the rules of the game. The rules therefore must be as straightforward and as direct as possible. To illustrate this point I will use an analogy which Canadians will understand.

Conflict of interest rules should be like the rules in the game of football. Everyone who enters public life seeks to reach and cross over the goal line at the end of his or her career. The goal to which we aspire is to carry out one's duties of office fully, effectively and responsibly and conclude one's career on a high note without becoming involved in conflicts of interest, without casting doubt on one's motives and intentions, without

ruining one's good name and reputation or that of one's colleagues.

Unfortunately over the years the playing-field has become more complex and the yardsticks keep moving. We often find that our job is to represent Canadians in a responsible manner but we are often attacked as we carry out those responsibilities. As parliamentarians we are busy people with many responsibilities and demands on our time. In such an atmosphere it is often difficult to be aware and reflect on every nuance of a situation to make sure that no conflict might arise.

However we all understand that constant vigilance is required to ensure that we know and understand the rules that will help us avoid conflicts of interest so that we do not stray out of bounds. We must always be scrupulous because the penalties are very onerous. The loss of reputation alone is a very strong incentive not to become involved in a situation where one's conduct of public office or behaviour can be called into question.

Parliament has learned about that reality over the years and in particular about what will and will not be tolerated by Canadians in public life.

The boundaries of the political playing field have become more apparent and real to all of us because of what we have learned and understood from the shortcomings which act as lessons of what not to do.

The bill before us today is intended to make those lines even clearer and to give all members of Parliament, senators, ministers and parliamentary secretaries mechanisms to assist them to keep their personal affairs in order so that these personal concerns will not interfere with their public responsibilities.

In tabling the legislation the government realizes that proposed legislation is not perfect and that Parliament has an important responsibility to examine it carefully to determine if any improvements are required.

Government welcomes the process because government wants more than anything else for Parliament to give this whole problem its greatest and fullest consideration. This is so that Parliament can produce a piece of legislation as quickly as possible on this most important public matter.

Before we begin this work I would like to therefore describe briefly the main provisions of the bill and its importance.

We are aware that very high standards of public conduct are rightfully expected by parliamentarians from all Canadians. Upholding the public trust is a clear priority of this bill. An illustration of this commitment is the obligation of parliamentarians, ministers and parliamentary secretaries listed in the purpose clauses in both parts of the bill. I want to say at this stage that unlike the parliamentary committee report the bill is a two-stage bill. There is a stage of the bill designed for ministers and parliamentary secretaries and the Order in Council appointments made by the cabinet of senior public servants, deputy ministers and the like. That part of the bill goes to a commission and the commission reports to the Prime Minister. The reason for that is that the Prime Minister is responsible and the officials, his parliamentary secretaries and ministers, are responsible to him. He has to make sure that their conduct is above reproach. He has a commission to look after that and it is separate from the actions of parliamentarians, senators and ordinary members of Parliament.

• (1620)

Ordinary members of Parliament will report to a jurisconsult. The jurisconsult will be a person to whom they can report their activities and who will look after their conflicts and who will adjudicate their concerns and will report to the Speaker. The jurisconsult reports to the Speaker who reports to Parliament. The commission reports to the Prime Minister.

Both sections of the statute are similar. In both sections the standard under which people are judged is essentially the same. There are rules which govern parliamentarians in both Houses. Both parts of the bill make it clear that no parliamentarian should advance his or her private interests or those of a spouse or dependents on the basis of information that is not available to the public or use his or her influence to obtain by reason of public office a personal benefit or personal gain.

Both parts of the bill have rules of disclosure of gifts and benefits which will apply to all members, senators, ministers and parliamentary secretaries and of course

those other persons who are covered by the bill in terms of the commission part of the bill.

All members and ministers and parliamentary secretaries are required to admit to meet basic requirements; to report and disclose their private interests and those of their spouses and dependents to either the jurisconsult in the case of members and senators and to the conflict of interest commission with respect to parliamentary secretaries and ministers; to establish in conjunction with either the jurisconsult or the commission a personally tailored regime taking into account their responsibilities for arranging their assets to avoid conflict; and finally to prepare a public declaration of these interests as either the jurisconsult or the commission sees fit and, in the case of spouses and dependents, relevant.

These rules reflect the political reality that any member of Parliament, senator, minister or parliamentary secretary can appear to have or actually be involved in a conflict of interest. The bill, therefore, represents a comprehensive approach to the ethics of parliamentarians and public office holders and will ensure that Canadians can have confidence in all of their representations.

I should, however, point out that the bill provides that ministers and parliamentary secretaries must satisfy more stringent requirements because of the positions they hold. The government recognizes that potential for conflict of interest is greater for ministers and parliamentary secretaries than for regular members and senators.

Accordingly those who hold these offices will have to disclose their private interests and, where the commission deems it necessary, make a public declaration according to stricter standards than members and senators.

In addition, ministers and parliamentary secretaries will not be permitted to engage in any employment, business or in the practice of a profession outside their official duties. Ministers and parliamentary secretaries will not be permitted to accept any fees.

Finally there are specific rules on post-employment which will apply to ministers and parliamentary secretaries but of course not to parliamentarians.

• (1625)

These different requirements for ministers and parliamentary secretaries reflect the political reality that those members of the ministry exercise broader responsibilities of office and could experience opportunities for influence that do not go beyond those of private members and senators.

I want to take the opportunity in this context to discuss another important aspect of the bill that has in the past given legitimate concern. It is the requirement that spouses and dependents participate on the same terms as members and ministers in relation to the disclosure of their private interests and the treatment of gifts, personal benefits and hospitality which they receive.

The government does not view spouses as mere appendages. The government thinks that the disclosure to the jurisconsult or the commission of private interests required in respect of a spouse might be identical in scope to that required of a member or public office holder.

This is a recognition of the reality that marriage is an economic partnership and that husbands and wives have a direct pecuniary interest in each other's financial affairs.

I want to say though that this matter was a key issue in the debate of the committee. As far as the members and senators are concerned, the disclosure of what is the interest of a spouse will be made by the member or the senator to the jurisconsult. The spouse will not be required to file anything with respect to a minister or parliamentary secretary, on the other hand, because of the higher degree of responsibility. One does not have to accept a ministry or accept being a parliamentary secretary. A spouse will be required to disclose to the commission. The spouse does not have to disclose to the member but they have to disclose in that case to the commission.

This is a difficult and very exacerbating field. The joint committee had a number of sessions and heard a number of representations on the matter. I think that the committee will examine that issue again. I think the committee will find that this way of approaching it is probably realistic.

The declaration by the member with respect to his or her spouse's assets to a jurisconsult is fine but when it comes to a minister or parliamentary secretary then a separate declaration is important.

In extending the provisions of the bill the government wants to preserve as far as possible the privacy of spouses and their dependents. I think particularly as we move forward with a society where both spouses have their own separate and independent careers that it is important that this conflict of interest bill protects the independence of spouses.

We will perhaps have to examine the legislation again. I believe that the bill sets forth a pretty good regime. It is on that basis that the government has put it forward.

The bill is really an attempt to have the jurisconsult and the commission balance the public interest in disclosure with the right of the minister or private member to privacy and to safeguard against unnecessary public disclosure. After all there is no need for people to know exactly whether one has 100 shares of the Bell Telephone Company or 1,000 as long as you do not have a controlling, significant or major interest. These are very small amounts. To say that a person has a minor interest in certain shares was judged to be sufficient by the committee that reported.

The question of what is disclosed will be in the hands of the commission and the jurisconsult that will make public disclosure. That public disclosure will be available for those who really want to read it.

• (1630)

The concept is that the commission and the jurisconsult will make sure that the public has confidence that members, ministers, parliamentary secretaries and senators are not hiding something, that they are not trying to feather their nests by hiding that nest somewhere. It will be disclosed because disclosure really represents the essence of control on conflict of interest.

My remarks are relatively short today. I believe we can move this bill forward. We intend to have a committee study it in joint consultation with the Senate. It is important that the matter move forward as quickly as possible through the House so that we can get going on the committee work.

It is no secret that this Parliament is drawing to a close. I believe it is absolutely essential that this legislation be in place before the next Parliament. Therefore we have to move ahead. That being the case, I am going to turn the floor over to someone else to make a speech on the matter and perhaps we can get it completed today.

The Acting Speaker (Mr. DeBlois): Before resuming debate, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for New Westminster—Burnaby—Violence Against Women; the hon. member for Notre-Dame-de-Grâce—Immigration Offices; the hon. member for Halifax—Economic Statement; the hon. member for Thunder Bay—Atikokan—Public Works; the hon. member for Cape Breton—East Richmond—Westray Mine Disaster.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to participate in this debate.

As the Official Opposition critic for government operations I want to indicate that this bill is very long awaited. This is a debate which I had hoped we would have had long ago. I am pleased that we are finally having it today.

I want to indicate that on behalf of my colleagues we have no intention at all of delaying this bill. We want it to go to committee as early as possible. We want to co-operate because we feel this issue is important.

I am one of those who believes that what we do as legislators does not only consist of the bills that we pass, it consists largely in the trust that Canadians have in those who occupy the seats in this great institution.

[*Translation*]

The hon. Leader of the Opposition, in a speech he gave over a year ago right here in Ottawa at the Congress Centre, when he asked me to prepare a report on public morality, told us how proud he was the day he was elected to Parliament. He told us about his father's even greater pride in seeing this son, the 18th of his 19 children, which the Leader of the Opposition is, elected to the House of Commons. The father of the member for Beauséjour felt this great honour and pride.

The member for Beauséjour wondered whether his father would feel as proud today, given the debates that have gone on in recent years. He concluded that unfortunately his father probably would not feel so proud, but that it was important to restore the pride people once had in our parliamentary institutions. That is what the Leader of the Opposition said and I agree with him.

• (1635)

[*English*]

Mr. Diefenbaker, a former Prime Minister, some years ago said that there was no greater honour for a Canadian than to be elected by his or her fellow citizens to sit in this, the highest court in the land, the Parliament of Canada. How true that is.

When I was elected on September 4, 1984 how special that day was for me. A week or so later when I came to Parliament Hill, I walked in through the main entrance, the one under the Peace Tower. For me that was symbolically important because, as you may know, I had been a staffer on Parliament Hill. I do not know whether that is still the case, although I should know, but as a staffer there was one entrance that we were prohibited from using. It is not permitted for a staffer here to use the main entrance to Parliament, the one under the Peace Tower.

The day after I was elected it was a special privilege for me to walk in through that entrance, and I walked across that threshold into Parliament as an MP.

Notwithstanding some of the things that have happened over recent years, I still feel this way about this great institution. Perhaps in my case being an MP was a boyhood dream. It is ironic that I came into this building for the first time not as an MP but as a busboy in the parliamentary restaurant. I worked my way up a number of rungs in the ladder, was elected to municipal office and then to the provincial legislature of Ontario. I resigned my position here when I was elected to Queen's Park.

I came back in 1984 to become an MP in this same building where I had once served as a busboy in the parliamentary restaurant. Maybe that even adds more to my pride in the great privilege that was given me by the electors of the great riding of Glengarry—Prescott—Russell.

It is important for all of us collectively and individually to do everything we can to restore confidence in this great place. I will not go into all the things that have happened because I do not think today is the day that we should have that partisan speech. I make it often enough when it is my role to question the government on various issues.

Today is the day we should all be getting together to ensure that we do whatever it takes to amend our rules, yes, but also to ensure that those who will be elected in the next Parliament, and those who are here now who will continue to serve in the next Parliament, will do their best to restore integrity in Parliament. That is the first premise. That is what all this is about.

Here we have Bill C–116. How did we get started on a conflict of interest bill? Well, you will remember, Mr. Speaker, that we had a set of rules better known as the conflict of interest guidelines.

[*Translation*]

In 1985 the Prime Minister replaced these rules with a conflict of interest code. In 1987, unfortunately as a result of the circumstances surrounding the resignation of a minister, Judge Parker recommended that Parliament pass a law. I have here the report of the Parker Commission which recommended conflict of interest legislation for the Parliament of Canada. Of course Judge Parker made several other recommendations and concluded that the minister in question had broken the rules many times, 14 times, if I remember correctly.

• (1640)

For the purposes of our discussion today it is important to note that as the starting point for having a law.

[*English*]

This bill is actually our fourth tentative try at conflict of interest rules. I believe the first bill was Bill C–46, the second one Bill C–114, and the third one Bill C–43.

I must say in retrospect, and I share these comments with the member from Mississauga South, that I am glad Bill C–43 as originally drafted was never enacted because some of its provisions were outright ridiculous. Frankly, I do not know how it was put together but it could not have worked. I am not even sure that it would have

accomplished what we were trying to do in the first place. Certain of its provisions were absurdly strict and in other areas it did not even do the job.

Our committee looked at that. When I say our committee I mean the committee under the co-chairmanship of the member for Mississauga South and Senator Stanbury, a member of the other place. We had extensive deliberations and it is important for the House and all Canadians to know that we came up with a unanimous report.

It does not mean that everything in the report was the absolute best and what I wanted. I guess the same could be said for the member for Mississauga South or the member for Oshawa. It means that there are some things on which we could unanimously agree, and at least we made those kinds of agreements.

I want to refer to a few things in the bill, notwithstanding my agreement with the bill in general, which I hope we will seek to amend at committee.

First of all, there is a drafting error in the title of the bill. The bill is referred to as the Conflict of Interest of Public Office Holders Act. While of course the member for Mississauga South, the member for Oshawa and I are not public office holders, we are parliamentarians. Because we are not public office holders, the bill should be renamed and the word parliamentarian has to be added to that because it is wrong just from that standpoint.

There are certain provisions in the bill that I would like to see changed slightly, for example the two-year purgatory for civil servants and public office holders generally to lobby their own departments. Under the bill that is proposed it is to be shortened to one year. I know it was the unanimous recommendation of our committee, but we proposed to shorten that to one year and at the same time we proposed to keep the clause whereby cabinet can shorten it even more. The combination of the two means that in many cases the cooling off period or purgatory could effectively disappear.

We should make a choice whether we keep one year hard and fast. I do not think that is the best way. I think the best way is to have it two years with a possible application for exceptional circumstances which is what is there now. That gives a little bit more flexibility, yet gives a cooling off period that will be seen by the public, and will be in reality as well as one which is more meaningful.

I also want to say a word here to those members of this place who serve on the Board of Internal Economy and perhaps to our good clerks at the table because I understand that they are also clerks of the Committee of Internal Economy.

• (1645)

I think it would be important for us as parliamentarians as we start our committee work to ensure that the definitions that we use in the bill are similar to those used by the Board of Internal Economy. For instance, the definition of a spouse in the bill and the definition of a spouse as the Board of Internal Economy sees it for benefits of parliamentarians and so on is not exactly the same.

We should do our best to ensure that there is uniformity all the way through in both Bill C-116, our conflict of interest act, and the rules as administered by the House and perhaps by the other place as well.

The committee has not yet been officially named, but I hope to be a member of the committee. If we had that, as members of the committee we could have those definitions and reconcile them in the best way to ensure that we have workable legislation.

I guess I have officially informed you, Mr. Speaker, that I would hope the Board of Internal Economy would do this. Perhaps our good clerks could take note of that and consult the Speaker about it. I for one would love to have that kind of information. It would assist me in doing my work as a member of that committee. I hope to be a member of the committee.

This bill is not quite the same as our report. The member across the way has identified the major changes. First, as we will all know, we agreed in our committee that instead of conflict of interest rules administered by an officer of Parliament, known as a jurisconsult, there should be four MPs and senators. That is what is in the bill.

On the other hand, we also agreed that we need other rules for the Order in Council appointments administered by the government.

In the middle is another group of people. They are the public office holders who sit in Parliament, namely the cabinet ministers and the parliamentary secretaries.

What do you do with them? They could go either way because they are both public office holders and they are parliamentarians.

We thought in our committee that they should be dealt with by the officer of Parliament. The government in producing the bill says no, we will put him in the other category. As I say, I do not think I am married to that principle but I do have a concern. The concern is more particularly with the parliamentary secretaries. There are a few of them sitting in the House as we are speaking now.

I see our colleague from Burlington. I think he is a parliamentary secretary. He will understand that parliamentary secretaries tend to change perhaps more quickly than ministers. If you have a parliamentary secretary who will go into that parliamentary secretaryship, if I can call it that, and out of it, and perhaps change over many times in the term of a Parliament that person could have the rules that apply to him administered by the jurisconsult and the conflict of interest commission and his or her file could be going back and forth between the two officers depending on how often he or she enters or leaves the parliamentary secretary position.

You could almost have someone walking back and forth with boxes of files between the officer of Parliament, the jurisconsult, and the commission that will be dealing with the conflict of interest for the public office holders. There is an area there which is of concern to me as to how that will apply.

I have another area of concern as well. Because we are going to have both a commission and a jurisconsult, what happens in the event that someone receives a punishment? For the purpose of my argument, we have a minister who receives or is subjected to some sort of punishment from the Prime Minister pursuant to something that was declared to be improper by the commission. Does that mean that the jurisconsult cannot have a parallel inquiry of the same individual because the individual in addition to being a minister is also a member of Parliament?

What happens in those cases? I am a little unclear as to that. The bill does not describe it well enough or I have not been briefed well enough. I am concerned about what could happen in those cases.

• (1650)

I think the member for Mississauga South will agree with me that there are areas where it could be confusing at best. I hope that officials from the justice department or wherever who are taking notes as we are debating this will note and as much as possible address them when they come to speak at our committee to ensure that we do not have someone either being— pardon the expression but it is not quite that— almost tried twice for the same offence using two different court systems.

Also there are grey areas in a case where a person was a public office holder and may have committed an offence at the time that he was a public office holder but the offence is discovered by the jurisconsult when he ceased to be a public office holder.

I do not know how that will work. I do not want to throw a can of worms in all of this. I only want to indicate to my colleagues areas of concern so that we can improve the bill and have it work as well as possible.

I want to say a word as well on spousal declarations. Here I am going to give a personal view. My view is that for individual MPs and cabinet ministers it should be obligatory for the spouse to register. That is my personal view and I am going to leave it at that.

I accept what has been decided, that in the case of a parliamentarian the parliamentarian reports incomes and so on for the spouse to the best of his or her ability. If his knowledge of the spouse's interest is negligible we are not going to get much. As I say it is with reluctance that I accept that, great reluctance.

In the case of a cabinet minister it becomes obligatory. That has to be paramount. The reason that is important is the following: We are all here today as members of Parliament. If new rules are applied to us while we are already here as MPs in the case of a cabinet minister it is going to be very easy to make the decision I think. The day after the next election when the new government is elected, and needless to say I hope it is a government led by the now member for Beauséjour, soon to be member for Shawinigan and Prime Minister, he may phone a colleague of mine, say the member for Saint-Léonard, and says he would like that member to be a cabinet minister. The member for Saint-Léonard can say he would like to take a moment to discuss it with his spouse to see if they are both willing to file the conflict of interest forms. If one of the two refuses to sign the member can then say: "Sorry, Leader, some other time".

If they both agree that that is going to be the rule then they live by it.

That is why I think it is particularly important for those who are public office holders to be subjected to that kind of rule. I happen to think, and perhaps I am a voice in the wilderness, that should apply to all MPs and senators as well, but I will leave it at that.

In order to ensure that everyone can live with these rules I have a suggestion. Make the date of proclamation the date of the next election. If someone cannot live with these rules they can pack it in and go home. We can say we do not want them here if they cannot live with the rules. They cannot say they were applied retroactively and they did not know about them when they came here. If you cannot live with the rule then go home. If you can live with the rule run again, be a candidate. When you come here, prior to being sworn in as an MP or within the requisite time after, file the appropriate declarations so that Canadians know that at least there is that level of good faith in living within the rules.

Let there be no mistake. Conflict of interest rules in themselves do not necessarily mean good behaviour.

• (1655)

What you need first and foremost is good intention. I am sure most of us have good intention, but I hope that all of us have the intention to live with these rules.

Some may ask: Is it going to be hard to recruit candidates having these rules? Justice Parker addressed that in the report in which he said that the Centre for Responsive Politics in the United States had undertaken a study of this issue some time ago.

What the centre discovered at the time was that in fact stricter rules actually attracted, by and large, better candidates because people knew that they would be sitting in a parliament or in a legislative body together with other people who were willing to live under tougher rules and who had the intention, at least stated, of living under those rules.

Therefore, Justice Parker had concluded that you are not going to have a problem finding good candidates if you have tougher rules. Providing that the rules are reasonable, you may find it easier. I have just found a quote here from page 350 of the Parker commission of inquiry report. It said:

> I was particularly interested to learn that the disclosure requirements have not discouraged "good people" from entering politics or running for public office. For example, a study of members of the U.S. House of Representatives and Senate conducted by the Centre for Responsive Politics in 1985 found no one who felt that financial disclosure affected his or her decision to seek public office.

Even having said that, it does not mean that we can make all kinds of unreasonable rules. I see our colleague from Oshawa here today. He has served and so have I in another legislative assembly, namely the Legislative Assembly of the Province of Ontario.

I know he chaired a committee after I left which dealt with an issue involving the financial interests of a certain cabinet minister. He and I have talked about it in the past. While I will not pretend to speak for him at this moment, the job of serving on the committee reviewing that was no picnic. I do not think that the member for Oshawa would be the first to rush in and volunteer his services to sit on a committee like that again after the experience that he lived through.

It is tough to sit on a committee involving disciplining one's own peers. It is not something that members will be rushing out to perform. It is a difficult task, perhaps a necessary one. I think the experience of our colleague from Oshawa is rather unique in this Chamber. I look forward to the contribution that he will be providing to our committee.

He has the option of giving us sober second thought from the House because he has dealt with this issue before having chaired such a committee in the Ontario legislature.

I want to take two minutes and speak about those who have said that this bill is a watered down bill on conflict of interest. I beg to differ. This is not watered down compared to the present conflict of interest code. No way. This is as strict and certainly much stricter in the case of MPs. They are not even affected by the present code.

Some will say: "Oh yes, but it is watered down compared to Bill C–43". Some provisions did not make sense, perhaps. Over all, no, it is not watered down. I submit it is not.

• (1700)

Let me give an example of a clause of Bill C-43. I will give this one from personal experience because when I read the bill the first time it struck me rather strongly. Bill C-43 said that every time a spouse of a parliamentarian received a fee the spouse would then have to disclose that to the jurisconsult. I looked at my own situation. In my wife's job she does not get a salary, she gets fees. That means every time she received her paycheque she would have to come and register. She is a real estate agent, and as such she is paid fees. I understand that the same would apply to lawyers and perhaps many other professions as well. In the case of people who are even more active in private enterprise they could be registering daily.

What would that have accomplished?

Mr. Gagliano: My wife is an accountant.

Mr. Boudria: There we go. My colleague from Saint-Léonard says his wife is an accountant. She would probably have been one of those people registering daily because every time one fills out somebody's income tax form one is paid a fee, not a salary. Therefore she would have been registering all the time.

There were major errors in Bill C-43 and we have corrected them. That does not mean we have watered down the bill. I hope it means we have corrected some of the mistakes. That does not mean that this bill does not have mistakes. We will discover things that are wrong with it at committee. I am sure we will and I hope we do. If we do we will have an opportunity to improve the bill.

Even with everyone's best intentions I am sure there will be mistakes after we have gone through the bill. Hopefully the next Parliament can correct those as time goes by. Perhaps we should do what was done with the Lobbyists Registration Act and have a three-year review put into the bill. We did that with the Lobbyists Registration Act. It was a triggering mechanism that incited all of us to look at the bill again. That is not a bad idea and possibly those of us who hopefully will be reviewing this bill at committee level should consider that.

I want to conclude my remarks on that by thanking my colleagues who served on the committee that produced the report on Bill C-43. I also want to indicate that my colleague from Saint-Denis will be speaking shortly. He has given an immense contribution because although he is not the dean of MPs he is the next one to it. He has been here the second longest of all MPs in the House. He is more experienced than many of us, even though he is still a very young MP of course. He will be proud to read in *Hansard* that I said that about him. The member for Saint-Denis has been an MP for a very long time and his contribution at the committee level was quite impressive and will continue to be. Many members, and members of the other place as well, made excellent contributions at the committee level.

I want to close by thanking the member for Beauséjour for making this issue an important one for our party. I happen to think that the issue of reconciling members' interests and the trust that we have in this institution is important for us. I want to thank the member for Beauséjour, the Leader of the Liberal Party, for having identified that issue as being a priority issue for him. I say the same as well to the member for Cape Breton—East Richmond, who is the House leader and ultimately has many decisions to make in terms of the interventions we make on various issues, and the Whip, the member for Saint-Léonard, who permitted me to be one of the Liberal members doing the report on Bill C-43. I appreciated that opportunity as well.

[*Translation*]

I want to say to all hon. members that we must not let this bill die on the Order Paper of the House of Commons. I think we have a duty not to rush this bill through without examining it because it is an important bill, but to give it thorough consideration immediately within the next few days or weeks and to report back to the House before Parliament adjourns in June.

• (1705)

I expect, as do other members, that when Parliament adjourns in June for the summer recess, there will no further sitting of this Parliament. There will be an election so I do not think we will come back in the fall. According to most parliamentarians, Parliament will not come back in the fall and an election will be called. It is important for us all to adopt this bill so the next Parliament will have an instrument that will prove to be very useful for parliamentarians.

As I said earlier, good rules do not necessarily guarantee good behaviour. The rules however are there to help us and, more importantly, to restore the confidence of Canadians in this great parliamentary institution, the highest court in the land, the Parliament of Canada.

[*English*]

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I am pleased to say that we support the principle of this bill. We had a little bit of discussion back and forth about how quickly it ought to be processed. The only thing I would like to say on that is that it deserves due consideration by all the members here. It is not something that should be done quickly. It should not be a one-day wonder but it should not be stalled either.

It should have a reasonable amount of debate. For our part, we have two speakers on second reading. We would be quite happy to go off and work through the committee stage of the bill. For what it is worth, I believe, as others have already said, that this is a bill that ought to be completed some time before the end of June and it ought to be in place and in operation before the next election is held.

I want to start by doing something I never do. I want to thank the member for Mississauga South and Senator Stanbury, in the other place, for restoring my faith in the fact that this process works, as someone who has been in politics for a while but is new to this place.

I was somewhat taken aback by what I saw here in my first year or so. It struck me that much of what happens here is not very productive and is not very useful to the Canadian people. In fact, it is downright stupid.

In sitting on this joint committee I had my faith in the parliamentary process renewed somewhat because I found there people from all political parties, from the two Houses, who did what I think Parliaments are supposed to do. They sat down, looked at the problem and tried to find a reasoned and reasonable solution to it. That does not always happen in Parliaments. Sometimes Parliaments do particularly silly and stupid things. Watching this place on television it is sometimes hard to explain just exactly what is going on here at any given moment.

One of the tragedies is that while people see Question Period on television, which I am kind of ashamed of, they did not get to see the work of this committee, which is what a Parliament really does.

Conflict of interest legislation seems to bring out the best and the worst in people. I do not know why that is. For all those who have a tendency to be pompous, it seems to bring out the absolute worst in them. They give great speeches about the integrity of public office holders and how wonderful everybody who ever got elected is, how they have no faults, how they live hard lives, everybody makes great sacrifices and what a noble privilege it is to serve.

I have been in politics for 20 years at every level and I do not subscribe to any of that. People in public life are people first and last: good ones and bad ones, smart ones and stupid ones, honest ones and dishonest ones, and people who work hard and people who do not deserve five cents for their day's work. They are people and they are in a sense what the original Parliament was on the fields of Runnymede. At Runnymede it was a good idea to watch where one was stepping because it was an open field. They came there on horseback. It is my experience today in any Parliament that I have ever seen that it is not a bad idea to keep an eye peeled for meadow muffins because they are still there. In part that is what conflict of interest legislation is about.

• (1710)

For many in the public I suppose the impression is left that all one has to do is pass a bill like this and all the problems are resolved. I think those of us who have been in politics for a while know that that is not very close to the truth at all. This bill for example does not stop any criminal allegations against anybody nor should it. If somebody is elected and breaks the law then they should expect and get no favour from anybody. They should be treated before the courts of Canada as any other citizen would be treated. This bill is not about that kind of activity. If someone steals or commits a crime under the Criminal Code of Canada then they should be treated exactly the same as every other Canadian citizen. That is the first thing that I think needs to be put on the record.

A conflict of interest bill at its very best tries to define the grey areas of politics. Where did someone exercise a little undue influence? Just exactly how did they do that? Of course it is almost impossible. As someone who chaired a committee at the Ontario legislature and studied every conceivable version of conflict of interest

legislation, there are all kinds of varieties out there and none seem to do the job much better than any other.

Some jurisdictions I have looked at put a heavy emphasis on paperwork. They seemingly believe that if one fills boxes and boxes of declarations about this and bank accounts about the relatives doing likewise then somehow that alleviates conflict of interest. I do not think it does.

Some jurisdictions that I looked at really went in hot and heavy for great police investigations. In the United States for example it is fairly common practice to have the FBI, the CIA and everybody else go out and conduct field interviews. In other words if one is accused of something or going to be appointed to some great office in the United States then it is common practice that the FBI will knock on the door of your neighbours and ask what kind of a person you are. That information is gathered and then put into files. The files are shown to some members of Congress and not necessarily to others. We have all managed to watch televised proceedings of some of their hearing processes where the flavour of all this kind of comes out. Does it result in a better system than what is proposed here? I am not sure that it does. It certainly has to be more expensive but I am not sure it provides a better system.

Some would advocate that a great bureaucracy should be built up to examine the records of all members of Parliament, everybody who is a parliamentary secretary and everybody who is in the cabinet. I am not sure what useful purpose would be served by that.

I do know this. What has happened in this House is almost the same as what I have seen in every other jurisdiction. Parliaments and legislatures do this kind of stuff reluctantly. It is usually after there have been a series of allegations laid against the members. Frankly it is not usually the ones where there are Criminal Code violations that cause the problem because generally the courts pick that up, go to work and do their job as they normally would. It is the grey areas of influence peddling and who helped make some decision and might profit by that. Allegations in Ontario led to that law. I am someone who chaired one of the committees that heard the conflict of interest allegations there.

It kind of comes down to this: A gentleman who was a good friend of mine was a minister of natural resources and he wrote cutting licences for timber firms in northern Ontario. He happened to belong to a family that operated a lumber company in northern Ontario in Kapuskasing. He sat down beside me on the first day and said privately: "Mike, what was I supposed to do? My family runs the only lumber company in town. I am the minister. Why would I not sign the licences? I did not make any money off that". On the last day of the hearings he said much the same thing to me. I do not think he got the message all the way through.

The husband of another friend of mine borrowed some money from the Government of Ontario and she was in charge of a ministry that administered those funds. She did not see the conflict either.

In my household, and I suspect in most, if my spouse borrowed a million dollars and I did not know about it then there would be more than a conflict of interest involved in this. If I borrowed a million dollars and did not go home and tell my spouse about it then there would be a little discussion at the Breaugh's kitchen table that night. However, not every household is the same. Part of what a conflict of interest bill has to try to do is to take the perception of everybody and find a way to sort it all out. Very often the perception of a conflict of interest is just as important as an actual conflict of interest. In other words, it really does not matter if somebody made a million dollars that they should not have. If the rest of the world thinks they made a million dollars then it hurts the process.

• (1715)

It hurts the process in this way. All members of this Chamber are damaged when an allegation is made that somebody here made some money that they should not have. That is unfair. We all know that. There is something that I think is true when those allegations are raised. I have had some interesting discussions over the years with colleagues who love to make these allegations. I have often said: "Do you know that something is wrong here?" They would say: "It sure looks like there is

something fishy". The end result was: "Let's go fishing and see if we can destroy somebody's reputation". I am not so sure that is a useful exercise for anybody.

One of the reasons that I am an advocate of conflict of interest legislation is that in my books and having studied it in a number of places there are some simple, straightforward things that have to be done. First and foremost there has to be a law such as the one that is being proposed here. Rightly or wrongly and whether it is imperfect or not, at least it lays down in legal form what is expected of the members.

Never mind the rules or guidelines or advisers. Never mind how fancy it gets. What I want is a law. If one believes in it then write it down. That law in my books should be put together in somewhat the way this one was. I am choosing my words a little carefully here.

Say the government had said: "We have had a special joint committee of the House and the Senate study it and draft a bill". Then it brought that bill in here. I would say the obligation is on the members here to read the bill, to understand it, to know what it means and go forward with it. That is exactly the way I think it should be done.

This bill was not done quite that way. I want to make this distinction. This bill is based in part on the report of the joint committee and in part from somewhere else. Most notably I would ascribe it to the cabinet submission called Bill C-43 which was brought forward previously. That is I think one of the problems. The good side is that there is now a law being proposed.

The second thing—I think most experts in the field would advocate this—is some form of disclosure. What do I mean by disclosure? It is public disclosure in particular. It gets a little sticky. It is not quite as simple as it first appears. There is no polite way to say this. Members ought to have a public record of what they own and what their interests are. I have done that and other members in this Chamber have done that in other places at other times. It is no big deal for most of us. For those of us for whom it is a big deal, it is probably even more important that they do a public disclosure statement because they will have more opportunities and more areas where disclosure could be found.

My experience in Ontario unfortunately was this. We insisted on disclosure on a fairly broad basis by every single member of the House. The first year those disclosure reports were made public the press wrote reams of stories. They were not all factual, sensible or worth really writing about but they wrote them anyway. The news was that here is public disclosure on Ontario's politicians. The second year they wrote a few less stories. By about the third year it hit the norm.

The purpose of the exercise is not to provide *The Toronto Sun* or *The Ottawa Sun* with new fodder for columns. It ought to be to provide the public with some access point where they can find out where there might be conflicts for the members. This is a little stickier that it first appears to be.

There is the matter of privacy for the members and privacy for their spouses. I would advocate that somebody who is not elected to this place—a male or female spouse of a member—is someone on whom this House has no right to lay a law or a rule. It is bad enough that they made the fatal error of getting involved with a politician. It is worse yet that they should have to make public every sense of their business dealings. That is wrong. I believe it is wrong. There are some who advocate that they ought to, but I fail to see that. If you leave it up to the member to make the declaration where he or she has knowledge of a conflict or where one might exist, I think those of us who are elected deserve to bear the heat. That is as far as I am prepared to go.

• (1720)

If I know that my spouse has a conflict of interest in some way, the fact that she is married to me makes it a conflict. The woman deserves sainthood in the first place but in the second instance, she does not deserve to be punished again. If there is a conflict, it is my obligation as an elected member to point it out. I think that covers as much as needs to be covered there, but disclosure is important.

The most important thing—this is difficult, and we are going to argue about this a lot—is a clear, straightforward process for resolving conflict. It is not easy to do. It will not be done by burying it under tonnes of paper. It is not done by setting up a huge bureaucracy. It is not accomplished by trying to bamboozle the public.

The jurisdictions where I saw it working well had this as a hallmark, a simple straightforward system with not very many people involved. It had one clear set of rules being given out, one set of advice being given, one person telling the members what they can and cannot do.

It is as simple and as straightforward as that. It must be able to deal with problems efficiently.

We have a criminal court system which is elaborate to deal with criminal charges and that is fair. I agree with that. What we are talking about is something quite different.

I know that in many places they use some version of what is called in the committee report a jurisconsult. This bill calls for a commission as well. Let me give my version of that.

This is not a person who has to be all-wise or all-knowing. It is a person who must have a reasonable amount of common sense and an understanding of what the public expects from people who are elected. In other words, it must be a person who knows what is right, what is wrong and what is reasonable. That is the hallmark of the job, not an elaborate staff, not a complicated process. In fact, in my experience, it is a fairly straightforward process.

That brings me to the first major problem I have with this bill. I do not want to vote against it because this process may work but I frankly will be surprised if it does. It seems to me it sets up two levels of advice, two sets of rules, a commission on one side and a jurisconsult on the other. I always find it dangerous in politics to set out dual tracks.

This may work. It may be possible that the Government of Canada will do something that no other government in the world has ever been able to do; create two bureaucracies that do not at some point collide like mad.

I think they will. In addition to what is written in this bill there will, of course, be regulations. There will be interpretations of regulations. There will be rules. There will be interpretations of rules. There will be advice to the members. There will be memos written to the members. There will be rulings given. If the rulings are not the same for everybody, this bill is in trouble. That is the first thing where I think this bill may be in trouble. It may not work.

I am willing to give it a shot. I understand, as everybody does, that there is a big difference between a little guy like the member from Oshawa sitting over here, just about Perth, Ontario, in the Chamber and the big wheels who sit right at the front and make all the big decisions in cabinet. Behind the big wheels are the little wheels, the parliamentary secretaries.

I do not give out government contracts. I do not decide national policy. I do not decide who gets all the jobs. The opportunities for me to have a conflict are pretty rare. People in the cabinet face an entirely different set of circumstances. Sometimes parliamentary secretaries do. Sometimes they have even less influence over things than I do. But every jurisdiction that I know of which has looked at conflict of interest legislation recognizes that there are some of the players who are going to be in conflict positions much more often than others.

This bill tries to do it by dual tracks. I think the dual tracks are going to collide at some point and will cause a major problem.

To conclude fairly quickly, a couple of things do need to be said. Mr. Justice Parker in a very elaborate report gave us his opinion on the matter. One of my constituents, Michael Starr, and one of his colleagues in the Parliament of Canada, Mitchell Sharp, had their version of what should be done. The joint committee had its version of what should be done. The government has now brought forward a bill.

• (1725)

No matter what might happen, it is better to have an imperfect law than no law. I offer my support, tentative though it might be in spots, because I believe very strongly that whatever the rules are, as long as you write them down, we will all live with them and we will work our way through them.

It is going to be critical that we go through these things on a regular basis. If somebody gets off the hook because a definition put in this bill does not quite cover the act he is alleged to have committed, then the whole thing is a failure. That is one of the reasons why I advocated in committee, as did others, that there be no tight little definition of a conflict of interest, that it should be as broad as possible.

Those of us who worked on the joint committee have an obligation to say our little piece. Nobody wants to delay this process. I hope it is the government's intention to proceed with this legislation and to make it law now. If it has flaws we will try to pick them up as it goes through committee.

I hope the government will listen to members with other points of view and see if it can do what I thought the joint committee did an excellent job of doing; not trying to find everyone's theory of it all, but something that is practical and will work and will assist us all in restoring a little bit of confidence. I concur with what some others members have said. I am not a great believer in a magic bill that can be passed which will make the world change its view about this place. However, there are things that members here can do, and this bill is one of them.

Mr. Blenkarn: I believe you will find consent for the following motion:

That when no further members rise to speak today on Bill C-116, the debate shall be deemed adjourned; and

That notwithstanding any Standing Order on Tuesday, March 30, 1993 the House shall sit between 1 and 2 p.m. for the sole purpose of the continuing consideration of the second reading stage motion of Bill C-116; and

That not later than 1.55 p.m., all questions necessary to dispose of the said motion shall be put without further debate or amendment;

And that any recorded division be deferred until 5 p.m. on Tuesday, March 30, 1993.

The Acting Speaker (Mr. DeBlois): Hon. members have heard the terms of the motion. Is there unanimous consent to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

[*Translation*]

SITTING SUSPENDED

The Acting Speaker (Mr. DeBlois): May I suggest to the House that we suspend the sitting to the call of the Chair? Meanwhile we will try to move up the proceedings on the adjournment motion.

The proceedings are therefore suspended to the call of the Chair.

At 5.28 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 5.37 p.m.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

IMMIGRATION OFFICES

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, this question arises out of the recently announced policy of the government to replace face to face interviews for immigration applications by the mailing in of complex forms to centrally located offices and in particular, to a new centralized office in Vegreville, Alberta which will open in April 1994.

This government proposal has already led to the closing of many local immigration offices which were accessible to people all over the country. They will be replaced as I say by fewer employees in fewer far away offices, in particular in Vegreville.

Faced with that new policy, on February 24 I asked the minister why the government was proceeding with this plan when the pilot projects were a failure and when they showed that this system would be extremely inefficient and would open the door to criminality.

• (1740)

I am informed by some of the people who took part in some of these pilot projects that what used to take three to four days in face to face interviews, getting the appointment or sitting before an immigration officer and going over the immigration application now takes three to four weeks in the pilot projects.

One of the major problems is that many of these people do not speak English or French as their mother tongue. In filling out these forms they make mistakes. The forms are sent back. They are returned again to the centralized office always by mail. Very often it takes a long time to settle the problem and get the application form dealt with. These are application forms for work visas, visitors' visas, family class applications and so on.

While it makes it more difficult for legitimate refugees in this new mail-in centralized system, it makes it easier for the criminal element because it is easier for the criminal element to defraud the documents. They do not

have to face an immigration officer across the table and it is easier to get through contrived and falsified documents in order to have illegal immigrants enter this country.

What is going to happen as a result of this policy is that more and more of a burden is going to be shifted to the offices of members of Parliament, to agencies, to NGOs and to churches. They will have to help immigrants fill out these complex forms and send them into the offices. In many cases the immigrants will probably turn to lawyers and immigration consultants which will cost them a lot of money.

I ask once again for the government either to cancel this project which is inefficient and leads to criminality or at the very least to postpone it for one year while we have a parliamentary committee look at it objectively and see if it really is in the best interests of the country.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, the government announced a series of initiatives for the reconfiguration of the points of service network for the future delivery of the immigration program. These initiatives are totally consistent with the fiscal constraints announced by the President of the Treasury Board on December 2, 1992.

With fiscal restraint messages recently being announced by all levels and political stripes of government, Canadians understand there is a growing need to manage more wisely our limited tax dollars.

The restructured Canadian Immigration Centre network will provide effective client service in an efficient manner while saving the taxpayers money. The advanced use of technology in the case processing centre scheduled to begin operations in April 1994 and the efficient mail-in forms are the key to saving $6.5 million.

Some of the resource savings realized will be allocated to enhance the enforcement aspects of the immigration program thereby strengthening its integrity, something for which many Canadians have long been calling.

Even though it saves taxpayers money, our strategy maintains client service at a high level. Of the existing 64 points of service we will maintain a community presence with full-time immigration staff in 51 locales. This is not a rampant reduction of the inland delivery network but a refined structure that maintains a presence in small communities where appropriate, while placing the bulk of our resources in larger communities where there is a high demand for service.

In conclusion, after two years of processing case work by mail in Toronto, Montreal and Vancouver surveys confirm a client satisfaction rate of 84 per cent. Our monitoring has shown no increase in attempted misrepresentation or document fraud over personal service.

ECONOMIC STATEMENT

Ms. Mary Clancy (Halifax): Mr. Speaker, in December of last year I questioned the minister of employment regarding changes to the Unemployment Insurance Act.

In particular, I asked him to set out clear guidelines for proving just cause as it relates to sexual harassment. The government it is true has broadened the definition of just cause and has given the board of referees clearer powers to protect the privacy of victims. While this is fine these measures do not change the procedure for proving just cause and in consequence not much has changed for women victims.

• (1745)

Sexual harassment has been grounds for just cause for quite some time but the process of proof is where the failure of the system lies. As I said in December I spent four years as chair of the unemployment insurance appeal board in Halifax. I know what it takes to prove just cause. It is a long and tortuous and potentially costly endeavour and frequently it is very degrading for the female victims.

The system works against voluntary quitters and not for them. All it takes is a telephone call to the employer who will obviously deny that he sexually harassed his employee and that is it. A woman may appeal the decision to the Board of Referees but Employment and Immigrations figures show that the board only overturns the decisions of the UI officer who made the original decision 0.4 per cent of the time.

I am happy to say that when I was chair of that appeal board my ratio of overturning decisions was 25 per cent but gone are those days.

To add insult to injury the employer is not even compelled to go before the board. He cannot be compelled to go before the board. His appearance at a separate hearing is by invitation which he is of course free to decline.

Under the old rules the complainant could still receive a portion of her UI claim. Under the new rules that this government so typically rammed through this House this will no longer be the case and women victims will lose their UI right off the top.

May I remind this House and the minister in particular that I am not as he said: "spreading lies" by stating unequivocally that women will not be protected under the new legislation any more than they were protected under the old. I suppose that if a woman has the strength, the courage and the money she can hire a lawyer and go through the process of appeal to a judge of the federal court. However, we are talking about women in this particular category most of whom make $20,000 a year or less. They are hardly the kind of clients who can afford to hire a lawyer for this kind of case.

May I remind the minister of another given that women are poorer than men. Women earn on average 30 cents less than men according to the most recent Statistics Canada report on the earnings of men and women. Do I need to again state the obvious? The wage difference between men and women will all but preclude further action by women if their UI claim is rejected.

Mr. Speaker, this piece of legislation is a disgrace.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, the hon. member knows it was this government that first incorporated sexual harassment in the UI Act as just cause for leaving a job. This was done as part of the changes to the UI Act through Bill C-21.

I might add that the hon. member was one of many Liberal members who on October 25, 1990 voted against the government amendment which enshrined sexual harassment in the UI Act as just cause for quitting a job.

The hon. member also knows that CEC employees have a long history and an excellent record of dealing fairly and sensitively with all UI claimants including those who may have quit their jobs due to sexual harassment.

We will be building on this record of fairness by providing awareness training to reinforce the sensitivity of EIC staff to the issue by issuing guidelines that will ensure that staff continue to give the benefit of the doubt to the claimant and by adopting administrative policies that allow sexual harassment cases to be handled by UI agents of the same gender and by having appeals held in private.

Bill C-113 is about fairness. It is not fair that Canadians should pay UI for people who choose not to work for no good reason. However, if just cause such as sexual harassment does exist one can be sure that the claimant will receive UI benefits. Bill C-113 is also about responsibility. It is irresponsible to continue allowing the UI deficit to increase and we must act on this.

Bill C-113 is about fairness and responsibility and I urge the hon. member to support this bill.

• (1750)

PUBLIC WORKS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, earlier in this House I raised a question with the Minister of Public Works with regard to what I can only call either Tory mathematics or now the missing $7 million.

The matter arose because of the dispute over the proposal to build the fixed link to Prince Edward Island. As members of this House will know, P.E.I. is currently serviced by Marine Atlantic. As the courts have confirmed, as part of a constitutional requirement ferry service must be provided.

The current funding of Marine Atlantic provides for some revenue from the fare box, in other words the people who use the ferry, and another element around $23 million, $24 million or $25 million a year which comes as a subsidy from the taxpayers of Canada. That is the shortfall between the cost of the service and the fare box.

I rose in this House and raised with the Minister of Public Works the question that if it was only costing the taxpayer $23.5 million to $24 million a year to subsidize the ferry operation, why was the Government of Canada

prepared to provide up to $42 million a year to subsidize the owner and operator of a bridge.

The minister responded in the House. When Bill C-110 went to committee, I pursued the matter there with the minister. He gave me sort of a general response and then left it to the officials from Transport Canada to respond in more detail. This is where it really gets interesting. The Director General of Marine Policy and Programs, Mr. André Pageot, responded to my questions. Basically what he said was that the $7.7 million was a figure that they made up.

That is not money that goes to Marine Atlantic that it can put away for a day in which it needs to re-equip the fleet or replace a particular ferry. No, the Government of Canada does not put it in a special interest-bearing account so that when Marine Atlantic needs a capital infusion of the $50 million to $60 million that a new vessel would cost the money would be there. No, it does not exist there either. However, it is there to use as a basis for justifying a $42 million subsidy to the owners and operators of a bridge.

The reason that we raised objections to the fixed link is not just because of the environment, although that is a very, very important element. As we saw, the Federal Court agreed with members of the New Democratic Party and with Friends of the Island and ordered a new and proper environmental assessment.

We saw in the House earlier today the Minister of the Environment skating around the issue and not coming out and saying: "Of course we will ensure that there is a full and proper environmental assessment". He sidestepped the issue, just as the Minister for Public Works refuses to recognize the reality that this bridge project is going to cost the taxpayers more than the current ferry service does today or will in the future.

That is what this government has to be held accountable for and that is why we will continue to oppose this foolish waste of taxpayers' money.

Mr. Ken James (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, in reply to the hon. member for Thunder Bay—Atikokan, we want to say that much has been made of the annual subsidy that would be paid to the developer of the bridge between Prince Edward Island and New Brunswick. He should know that the subsidy represents the avoidable future costs to the federal government of maintaining the Borden ferry service that is projected over the next 35 years.

The amount of money available, as he mentioned, is $42 million calculated in 1992 dollars. This $42 million includes not only the estimated costs of operating and maintaining these ferries, but also the capital costs that would eventually be required to replace these very expensive vessels, a cost, as the hon. member would know, that is escalating year by year.

The member should know that the replacement cost is not assumed by Marine Atlantic and is not included in its subsidy.

• (1755)

Nevertheless it is a very real cost to the federal government, no matter which pocket it comes from. It was and is a future expense that must be taken into account when considering the value of the subsidy for the fixed link.

I thank the hon. member for raising the question.

WESTRAY MINE DISASTER

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, on December 1, 1992 I raised once again on the floor of the House of Commons concerns that I have had with regard to the Westray coal mine disaster that took place in Nova Scotia.

At that time I repeatedly asked the Prime Minister and ministers of the Crown if they would conduct a federal inquiry. The answer was in the negative, the rationale being that the Government of Nova Scotia was going to proceed with an inquiry.

The fact of the matter is that what I had asked for was a federal inquiry with regard to the role of the Government of Canada and in particular the funding that the government gave to that particular operation.

We now know today, as a result of information made public, that the Government of Nova Scotia has lost $12 million, the Government of Canada has lost in excess of $80 million and 26 miners have lost their lives. As I speak in this Chamber their families are without information, which is presently in the hands of the government, as to what has happened and what is likely to happen with regard to possible criminal charges.

This is a tragedy of national and international importance. What we found out today is that the government, under the auspices of the Freedom of Information Act, has made available to me a document from 1990 entitled *The Funding of the Westray Coal Mine*. It is 18 pages in length, but it is censored.

I remind this Chamber that a former President of the United States had an 18-minute gap on his tapes. What we have here is an 18-page gap with regard to the Westray coal mine. It is high time that the parliamentary secretary opposite and all members of the cabinet come clean with the people of Pictou county as to what is contained in that particular memorandum.

There was a CANMET study which was referred to in this House by ministers of the Crown, which the opposition was led to believe was the conclusive information concerning CANMET. We found out today that there are seven additional pages that have been censored by the Government of Canada. Twenty-five pages of important information have now been hidden by the government.

I want to ask the parliamentary secretary to make this information available to shed light on a tragedy in Canadian mining history. He should not stand in his place and give us that holus-bolus argument that somehow it has to be protected because of privacy. Twenty-six men have lost their lives, $12 million has gone down the tubes in Nova Scotia, and $80 million has gone down the tubes federally. Canadians have a right to know. Who is this government trying to protect, and why is it hiding this information from taxpayers in this country and from families who have been distressed over the last 12 months?

On behalf of those families I ask the parliamentary secretary opposite to provide that information so that Canadians will know exactly what happened.

Mr. Ken James (Parliamentary Secretary to Secretary of State for External Affairs) Mr. Speaker, I thank the hon. member for Cape Breton—East Richmond who I know has a very deep and concerned interest in this subject.

What I am going to say to him in some cases I think he probably already knows. For the record, under the Constitution the regulation of the mines is a provincial responsibility. The responsibility pertains to all aspects of mine plan approval, amendment and ongoing monitoring, including health and safety. The only exceptions are Devco, which is a Crown corporation, and uranium mines.

Following the accident at the Westray coal mine in Pictou county the Government of Nova Scotia established under its jurisdiction a commission of inquiry with a mandate to determine the cause of the explosion and to examine events leading up to the accident. The federal government co-operated with the commission up until the time it was found to be invalid on constitutional grounds. That decision was successfully appealed by both the miners' union and the Nova Scotia provincial government.

In January the status of the inquiry was confirmed as valid by the appeals division of the Nova Scotia Supreme Court, although public hearings were delayed until the provincial charges and the criminal investigation were complete.

Originally, as the hon. member would know, 52 charges were laid by the province under the Occupational Health and Safety Act. In December, 34 of those charges were stayed in order to avoid jeopardizing any criminal charges.

Recently, on March 4, the remaining 18 provincial charges were stayed for similar reasons. Once the criminal investigation by the RCMP is complete and any subsequent charges have been dealt with the commission is free to resume hearings into the cause of the accident.

For its part, the federal government will continue to co-operate with the commission of inquiry established by the province of Nova Scotia to examine events leading up to the accident at the Westray coal mine.

To do more than this is not possible without infringing on the jurisdiction of the province.

[*Translation*]

The Acting Speaker (Mr. DeBlois): 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 6.01 p.m.

HOUSE OF COMMONS

Tuesday, March 30, 1993

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

WESTERN ARCTIC INUVIALUIT CLAIM IMPLEMENTATION REPORT

1991-92 ANNUAL REVIEW

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, under the provisions of Standing Order 32(2), I have the honour to table, in both official languages, copies of the 1991-92 annual review of the Western Arctic Inuvialuit Claim Implementation Report.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to eight petitions.

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

* * *

BILL C-102

REPORT OF LEGISLATIVE COMMITTEE

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-102, an act to amend the Customs Tariff, the Excise Act, the Excise Tax Act, the Customs Act, the Criminal Code and a related act, with amendments.

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

* * *

PETITIONS

HEALTH CARE

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I have the pleasure of presenting several petitions pursuant to Standing Order 36.

Taking into account that Canadian universal medicare is a principle of our Canadian identity, recent cutbacks to health care have undermined the principle of universality in Canada.

Consequently the petitioners request that Parliament take all necessary measures to enshrine in the Constitution the obligation to provide universal publicly funded hospital and medical care to all citizens.

[*Translation*]

OLD AGE SECURITY

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, petitioners from my riding in Manitoba say that today's pensions do not adequately meet the needs of the elderly. They say that the present system is inadequate and that a distressing number of seniors are living at or below the poverty line. They therefore call upon the government to review its policies in this area.

COMMUNICATIONS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, in this second petition, your petitioners humbly pray and call upon Parliament to ensure that steps are taken by the CRTC to reduce and even eliminate inappropriate language and violence on radio and television.

They say that these acts of violence are often in direct contradiction to what our families are trying to do. They also point out that it is unnecessary to use inappropriate language or show acts of violence to inform people.

[*English*]

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have as well a petition from individuals who ask that the GST be removed from books and reading materials. They point out that there has never been such a tax since Confederation and they underline that it goes against certain government objectives of increased productivity and competitiveness.

They believe this is counter to a fundamental principle in a democracy, and that is to have an informed citizenry.

• (1015)

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure pursuant to Standing Order 36 to present petitions on behalf of a number of people throughout the province of British Columbia, mostly in mainland British Columbia.

These people suggest that the proposed North American free trade agreement has resulted in even greater trade concessions being demanded of Canada and, if implemented, will result in further restrictions being placed on the ability of Canada's federal, provincial and territorial governments now and in the future to assist Canadian industry in conserving Canadian natural resources for Canadian benefit and advancing native social programs.

They call upon the House of Commons to reject the proposed North American free trade agreement and to recommend to the government that it use the termination clause to end the U.S.–Canada Free Trade Agreement.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I too have the privilege pursuant to Standing Order 36 to file two groups of petitions.

One points out that the proposed North American free trade agreement will result in greater trade concessions being demanded of Canada. It particularly points out that future Canadian governments will not be able to reinstitute a generic drug program in this country.

They call upon the House to reject the North American free trade agreement and to terminate the U.S.–Canada Free Trade Agreement.

IMMIGRATION

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the second petition I have is signed by a large number of residents within my riding of North Surrey.

It points out that the closure of the Surrey and New Westminster immigration offices will mean that people will have to travel to Vancouver in order to secure service. It also points out that there will be a loss of jobs in New Westminster and Surrey and that there will be a reduction in service in spite of the fact that this office made $4 million last year.

It calls upon the minister and this government to reverse this policy decision and keep the offices open.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Duhamel: Mr. Speaker, I rise to get some direction if possible with respect to my question on the Order Paper dated December 10, 1992 wherein I request totals for procurement by the federal government from the province of Manitoba as well as from the United States for the last number of years.

I want to remind the House that this is the 100th day. The House will perhaps recall that I had another question on the Order Paper that took it well over a year to respond to. That was on the goods and services tax.

I am very anxious to receive the information as quickly as possible on procurement from Manitoba by year and from the United States by year.

Mr. Speaker: The hon. member has made his point. I am sure it will be duly noted by those who will be following the matter. I thank the hon. member.

Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1020)

[*English*]

INCOME TAX ACT

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-92

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I move, pursuant to Standing Order 78(3):

That, in relation to Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related acts, not more than one further sitting day shall be allotted to the consideration of report stage and one sitting day to the consideration of the third reading stage of the bill; and

That, fifteen minutes before of the expiry of the time provided for Government Orders on the day allotted to the report stage consideration and on the day allotted to the third reading stage consideration of the said bill, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question necessary to dispose of the stage of the bill then under consideration shall be put forthwith and successively, without further debate or amendment.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

(*Division No. 449*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bouchard (Roberval)
Browes	Casey
Chadwick	Clark (Brandon—Souris)
Cole	Cooper
Corbeil	Corbett
Côté	Couture
Crosbie (St. John's West)	Danis
Darling	de Cotret
Dick	Dobbie
Dorin	Duplessis
Edwards	Fee
Feltham	Ferland
Fontaine	Friesen
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Halliday
Hawkes	Hockin
Hogue	Horner
Horning	Hughes
Jacques	James
Jelinek	Johnson
Jourdenais	Kempling
Landry	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming—French River)
Marin	Masse
Mayer	Mazankowski
McCreath	McDermid
McKnight	McLean
Merrithew	Moore
Nicholson	Oberle
O'Kurley	Paproski
Plourde	Pronovost
Reid	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
Saint-Julien	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Valcourt
Van De Walle	Vézina
Vien	Vincent
Weiner	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—105

NAYS

Members

Allmand	Angus
Arseneault	Baker
Barrett	Bélair
Bellemare	Benjamin
Berger	Blackburn (Brant)
Blaikie	Boudria
Breaugh	Butland
Caccia	Campbell (South West Nova)
Clancy	Crawford
Dingwall	Duceppe
Duhamel	Ferguson
Flis	Fontana
Fulton	Gaffney
Gagliano	Grey (Beaver River)
Heap	Hovdebo
Hunter	Karpoff
Keyes	Kindy
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacDonald (Dartmouth)	Maheu
Manley	Marleau
McCurdy	Milliken
Mills	Nault
Peterson	Phinney

Pickard
Rideout
Rodriguez
Skelly (Comox—Alberni)
Wappel
Young (Acadie—Bathurst)—59

Prud'homme
Riis
Simmons
Volpe
Whittaker

PAIRED MEMBERS

nil/aucun

• (1105)

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

MEASURE TO AMEND

The House resumed from Monday, March 29, consideration of Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related acts, as reported (with amendment) from the Standing Committee on Finance; and Motion No. 1.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I am pleased to be able to speak on this legislation today.

There is growing concern right across Canada that we are having a problem with the fairness of our tax system. Over the last number of years Liberal and Tory governments have introduced a series of tax loopholes and tax measures that have made it inequitable for people across Canada.

Many of the tax policies that have been brought in over the last 15 years to 20 years have resulted in a dramatic shift of taxation from corporate structure to personal structure. At one time the tax bill in Canada was shared equally between corporations and people, about 50 per cent. Over the last number of years through successive tax measures by Liberal and Tory governments this has now shifted so that the income tax burden is being paid approximately 80 per cent by individuals and only 20 per cent by corporations.

Tax policy has also been largely responsible for the increase in the shifting of financial resources from the middle income people to the very wealthy. This has accelerated particularly since the mid-seventies where increasingly there is a group of rich people at the top, a shrinking middle income group in the middle, and a growing poor at the bottom.

The most recent information shows that the top 10 per cent of earners in the country increased their share of the total income from about 23 per cent to 26 per cent over the last two or three years. The share of total income of the bottom 40 per cent has been steadily declining.

The GST was one tax mechanism that Canadians know is blatantly unfair. It is particularly unfair for working families. A big bite has been taken out of their income to pay for the unfair GST. Now we have the government again stepping forward with a tax measure that will help only a few wealthy families in Canada by extending the 21-year rule on family trusts.

It is very difficult to get exact information on family trusts in Canada because of the privacy provisions of the Income Tax Act. Therefore we do not know a great deal, either on a cumulative basis or on an individual basis, about what is involved in family trusts and what kinds of funds are being held within family trusts.

• (1110)

However there are some people within the industry who have made some very good and solid calculations. It is now estimated that there is over $70 billion held in these kinds of trusts. This is not a large amount as a percentage of the total assets held by persons and unincorporated businesses in Canada, which amounts to about $2.4 trillion. The family trusts are only a small percentage, about 3 per cent.

We do not know very much about individuals but there are examples that have come out through court records. One example is the family trust established by Samuel Bronfman for his daughter in 1969. At that time court documents showed that it was valued at $70 million. It has been exempt from the capital gains tax since 1969. Today it is estimated that the trust is worth in excess of $600 million.

It seems to me when we are asking single parents who earn less than $20,000 a year to pay taxes and when we are asking old age pensioners with incomes of less than $1,000 a month to pay taxes, we could ask wealthy families who hold assets in the area of $600 million to pay their fair share of taxes and not give them any further extensions or exemptions.

This exemption or extension costs the average Canadian money because we have to increase taxes on working families in order to make up for the loss of revenue. As a result of the fact that we do not have

details on family trusts the loss of revenue can only be estimated. A conservative estimate is that if only 1 per cent of the $70 billion in trust was subject to tax in a year at a marginal tax rate of 30 per cent it would raise over $200 million.

To make up $200 million we have to increase the taxes on working families or forgo vital programs in this country, programs that would create jobs or benefit people, such as day care. This $200 million would pay for half of the estimated cost of a universal day care program in Canada. We are all paying for this kind of tax policy.

This is not only the opinion of people in the New Democratic Party. There are also a number of tax professionals who share this view. Sidney Goldstein of Goldstein, Goldstein and Goldstein in Ottawa has said:

> There is no question that it represents a massive windfall for existing trusts.

Kathryn Bush of Blake Cassels has said:

> A cynical person might suggest that pressure from influential political supporters also should be listed as a reason for the draft legislation.

That is influential political supporters who have large assets. Neil Brooks, associate dean of Osgoode Hall Law School, has said:

> The government has given Canada's wealthiest families notice that it intends to give them a gift worth several billion dollars.

• (1115)

I am pleased to be able to support this amendment but I find myself smiling a little because the 21-year rule was introduced by the Liberals. It is obvious from reading *Hansard* of February 23, 1993 that even in the last two months the Liberals have done a flip-flop.

At that point the member for Sudbury made it quite clear that the Liberals supported the government's extension of the family trust beyond the 21-year period and was quite critical of the fact that the NDP would oppose it.

Now the same member is the one who has made a motion to delete this section. I am sure it is like many other policies that the Liberals expound in that if they really sat down and looked at it they would understand that the NDP position is the correct position.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, it is truly amazing that we are sitting today in the House of Commons and we have a government that puts closure on a bill just a day after it was introduced. The closure it has put on the bill is very significant.

This bill amends the Income Tax Act. According to the experts, a couple of deans of law schools in Canada, from the University of Victoria and the associate dean of Osgoode Hall, tax experts who appeared before the committee, this piece of legislation will give the biggest tax break to billionaires and multimillionaires that some of them can think of in our entire history. This bill that is going through the House would give the biggest tax break to multimillionaires and billionaires.

The government stands today and puts closure on it. In other words, we have one day, today, for report stage and one more day on third reading. Why would the government do that? If any Canadians who are today filling out their income tax returns knew what we are doing in this Chamber they would be so shocked that if they could only organize themselves, 14.7 million ordinary Canadian taxpayers, they would march on this place.

Mr. Allmand: It is going through too fast.

Mr. Baker: That is right. It is going through and nobody knows, but if they only knew what the Government of Canada was doing they would march on this place. This is the same Parliament which sat down just recently, and what did we do? We changed the Income Tax Act so that if the income tax department owes people money after April 30 the interest does not accumulate until 45 days after the date they file or April 30, whichever is later. However, if people owe the department money their interest comes due on April 30. This Parliament did that. This sitting of Parliament did that.

If people do not put their social insurance number down or supply it to somebody making out an information slip they are liable to a $100 fine these days. If they do not have one they have 15 days to apply and 15 days to produce it. As a result of a law passed by this Parliament if people file and have it postmarked May 1 they are given a penalty of 5 per cent on top of the taxes they owe, plus 1 per cent for every month after that up to 12 months.

• (1120)

This is the same Parliament that sat down and is today giving this incredible tax break to the wealthiest people in Canada. This is the same Parliament that approved a rule just recently affecting people who owe money to the Unemployment Insurance Commission. Every week now the unemployment insurance offices are sending a list of names over to the Department of National Revenue. Any rebates owed by the revenue department to those individuals who owe money to the Unemployment Insurance Commission beyond two years, if they are not drawing unemployment insurance and in the past year if they are drawing unemployment insurance, is deducted from what they have due to them from the tax department.

That would all be fine if the system that judges whether people owe money to the Unemployment Insurance Commission was fair, but it is not fair. The Parliament that is today giving this incredible tax break to billionaires in Canada is the same Parliament that changed the rules this year so that if people owed money or the student loans people claimed they owed money from 1960 or 1970, it is now automatically deducted from any rebates that they have coming back to them from the income tax department.

All those measures we have dealt with in this Chamber changed the Income Tax Act to really sock it to ordinary people, to add on as much interest as we can, to get to ordinary taxpayers and really slam it to them, without telling them what is available under the Income Tax Act, without suggesting to the students in Canada who are working, who went to work for the summer, that they can actually get moving expenses claimed on their income tax returns. There is no mention of that.

This year, on April 1, old age pensions, guaranteed income supplements and spousal allowances will be decided on the basis of last year's income. A lot of people are going to get a shock because of what we did in this Chamber, in that we approved a government measure to make payments to people; for example, in the fishing industry to buy back their salmon licences. We approved a measure for $8,000 to buy back people's licences, and now they are going to discover that it is going to be taken off the spousal allowance and the guaranteed income supplement this month. The government has done all those things to save money.

The government has introduced the GST. It has done whatever it could to cut back, to grab more money and to tax people more. The rich are getting richer; the poor are getting poorer; and the middle class is getting the shaft. Here it is today in this House passing a bill and putting closure on it. In other words it is saying we are not allowed to debate it any more today or tomorrow.

This is a bill that according to the experts in Canada is a big giveaway. It is not according to the politicians and we have to make that distinction. The standing committee had its meetings and they were a total embarrassment. The Standing Committee on Finance of this House of Commons had hearings that were to most Canadians a total embarrassment. The headlines in *The Gazette* of Montreal said: "Officials rush to committee meeting because experts say big giveaway to billionaires". That was on the business page last Friday. The story explained that some of the experts in Canada appearing before the committee said that this is the biggest giveaway to the biggest corporations, all those multi-multimillionaires and 20 or so billionaires.

It is mentioned many times in many documents that we are very fortunate in Canada to have one of the highest numbers of billionaires per capita in the industrialized nations and we have a system in which it is possible to make a lot of money. These witnesses were saying that this is the biggest giveaway to them.

• (1125)

Then we had the revenue department and the finance department rush into the committee to try to contradict what was being said. That is what was in the newspapers. That is what is true. Do we know what they said to the committee? The finance officials of this government and Revenue Canada had to turn around and say that they did not know how much money was involved in this bill. They do not even know.

Members of Parliament standing on the government side do not know how much money is involved in this bill. All we can do is take the word of the experts that this is the biggest tax giveaway probably in our history, putting off the paying of taxes for another 30 years for a select group of people in our society.

This bill is putting off the payment while we bring people into the Tax Court of Canada, sock it to them and then we try to develop a defence for some of these

people while this is going on in the House of Commons. This is a total embarrassment. I would like government members to stand and explain why they are changing the law.

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, the changes in Bill C–92 to the 21–year rule for trusts are intended to ensure that the original purpose for the rule is in fact achieved. The purpose is to ensure that the wealth accumulated during an individual's lifetime cannot be transferred from one generation to another without first being taxed.

With your permission, Mr. Speaker, let us talk a little bit about the purpose of the 21–year rule. The 21–year rule was introduced in 1972 as part of the capital gains regime. It is a necessary part of the income tax rules which tax accrued gains on death, intended to ensure that wealth accumulated during an individual's lifetime cannot be transferred from one generation to another without first being taxed.

As the Minister of Finance indicated at the time the rule was introduced, the 21–year rule was necessary to prevent the indefinite postponement of capital gains tax through the use of long–term trusts. The postponement of such tax would otherwise be possible using trusts under which individual beneficiaries have the right to trust income during their lifetimes but no interest in trust capital. No gains on death would arise in respect of such life interests since they have no value after the holder dies.

Why are changes needed? On February 11, 1991 draft legislation was released proposing changes to the 21–year rule. These changes, together with minor revisions resulting from subsequent consultations, are contained in Bill C–92. They address two serious problems with the existing legislation while ensuring that the original purpose underlying the rule is met and the related tax revenues are secured.

First, for many trusts it is possible to defeat the intent of the 21–year rule by transferring property from one trust to a newly created trust with a new 21–year period. Second, the existing 21–year rule penalizes those trusts which cannot because of their particular terms distribute their assets before 1993. This is particularly the case with trusts which were settled before the rule was introduced.

I would like to say a few words on what are the changes. The proposed changes will ensure that the 21–year period cannot be refreshed by transferring trust assets to new trusts. They will also allow a trust which has been settled for an individual's children to elect to defer the deemed disposition that would otherwise occur under the 21–year rule until the death of the last such child.

• (1130)

Where a trust elects under the new rules gains which have accrued on assets it holds at that time, as well as gains which subsequently accrue on all trust assets, it will become taxable on the death of the last beneficiary who is not more than one generation removed from the trust settlor, or on the earlier sale of such assets. A trust that elects will not thereafter be permitted to distribute trust assets on a rollover basis, as described, to beneficiaries who are more than one generation removed from the trust settlor.

With this election the capital gains tax consequences will be the same whether an individual makes a gift of property directly to his or her child or makes the gift to a trust for the benefits of such child. In either case there will be a recognition for tax purposes on any accrued gains on the property at the time of the gift, and there will be a recognition of future gains with respect to the growth in value of the property gifted no later than the death of the child. This is consistent with the principle that wealth accumulation should be taxed in the hands of each generation.

I will say a few words on how the rule operates. The 21–year rule requires that the value of trust assets be determined every 21 years, beginning in 1993. Any accrued capital gains in excess of accrued capital losses on assets which are in a trust at that time are subject to income tax in the year in the same way as realized capital gains and losses. As a result the 21–year rule subjects to capital gains tax only those gains which have accrued after 1971.

It is important to note that the 21–year rule was not intended to prevent the distribution of trust assets to the beneficiaries of the trust before the 21–year period expires. Such distributions are consistent with the objective of the rule itself. Specific income tax rules provide for a rollover of trust property to the beneficiaries in accordance with the terms of the trust. These rollover

rules recognize that because trust assets are simply being held for trust beneficiaries, their subsequent distribution to beneficiaries should not be a taxable event.

Later, when a beneficiary dies or actually sells the assets, any gains which have accumulated while the assets were held in the trust, as well as in the beneficiary's hands, are taxable at that time.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I am pleased I am back today to speak on this clause of the bill.

It is one that has caused most Canadians who understand what is going on in this omnibus legislation dealing with taxation a great deal of concern. As usual, when the government is trying to do some favours for its friends, who normally are not the poor or the destitute or those who have to rely on food banks to feed their children because of this government's policy, it tries to hide it. That is exactly what the government has done in this legislation.

It came in with a paper about two years ago and in the paper was a press release. It was pretty innocuous and hardly anybody picked it up at the time. The government said in the release that basically by regulation and now by law it was going to exempt some of Canada's wealthiest families from paying taxes on assets that have been in trust for 21 years. What does that mean to the average Canadian?

Most people did not understand. Most people were worried at that point, as I said, about trying to feed their kids. They were worrying about whether or not they were going to have a job next week because of the recession. During that period the government tried to sneak in a regulation, a change in the law which was not going to put them back to work, which was not going to shorten the lines at the food banks, which was not going to address the whole range of structural problems in the economy caused by Tory economics. They were simply interested in helping their friends, not just the friends who have a few thousands of dollars, not the friends who have a few hundreds of thousands of dollars—they had already looked after them—not their friends that had a few million dollars, but their friends in some cases who have billions of dollars in assets which are shielded effectively from taxation by regulation in the tax law.

• (1135)

It is a regulation that expired. The provision expired. The 21-year rule expired. The growth in value of the assets that were in family trusts were supposed to be taxable. As my friend from Gander just said, that was not good enough for the government. It has done this at a time when it is going around cutting and slashing every program of which it can possibly think.

Let us look at what the government has done in the last few years. It says there is no money out there. It has had over 40 tax increases, most of them affecting disproportionately the middle classes. There have been over 40 tax increases since this bunch opposite came into power. The average Canadian family in constant dollars is paying more than $2,000 in additional taxes because of all the changes this bunch opposite has made.

The government has assaulted the middle income, lower middle income and low income groups. The middle income group to which most Canadians watching this belong, the working class that tries to keep one step ahead of the sheriff, that tries to keep the kids clothed and fed in a modest home somewhere, the people who work hard for a modest living, count for about 37 per cent of the wealth in Canada. Under this bunch opposite, the government has increased the tax burden on this particular group, the average Canadian, so that the group which has control of 37 per cent of the wealth in the country pays 52 per cent of the taxes.

The government says that everybody has to suffer because there is no money out there. This is the same group which has told us it will no longer be participating 50 cents on every dollar for health care.

What does that mean? It means the impact of four successive Tory budgets on my province of Nova Scotia has been tremendous. The federal government has withdrawn, just this year past, health care expenditures of $111 million from a province of 885,000 people.

It has cut back on its cost sharing on post-secondary education in the province of Nova Scotia by $47 million. It says it does not have money. It has increased taxes. It has hiked them. It has decreased its level of participation in programs because it does not have the money and generally it has been going around telling everybody that

we have to do more with less but we have to give them more to do it with.

When it comes to the wealthiest of Canadians, individuals that have established family trusts, they are given another tax holiday. The government is giving a tax holiday on billions and billions of dollars that are in family trusts. As my colleague said, there are up to 30 years of additional tax holidays. I was outraged when this issue first came up, as were people in my constituency.

There was an article by Neil Brooks about a year and a half ago. One of the problems we have is that the government, which has information about the value of these trusts that would allow us as members of Parliament to figure out how much taxes would be owed if it had allowed the 21-year rule to expire and had not tried to replace it with this new law, does not want to tell us the information. In this article by Neil Brooks it is indicated that one of the items that was removed in 1972 was the federal inheritance tax. That action resulted in a lump sum gift of about $12.5 billion to Canada's richest families. That is according to a calculation by John Bossons, University of Toronto economist. That was back in 1972.

These trusts are now probably worth $50 billion, maybe more. The government says: "Sorry, if you are on social assistance in British Columbia, Alberta or Ontario which used to be have provinces but not any more that is too bad".

• (1140)

The federal government has frozen its rate of participation on social assistance. It has capped CAP. So if you are out there, sorry. The poor are going to have to do with less. If you need health care in Nova Scotia you may not be able to find a hospital bed because these guys have cut back. If you are a university student in Newfoundland your tuition will be higher because the federal government has cut back by about $32 million on its cost sharing of post-secondary educational institutions in that province.

However, if you are one of Canada's richest Canadians you are going to have another 30-year tax holiday. Just keep rolling that money around within the trust, taking all the benefits from it and we are going to keep away from it. At this very time that the government talks about the need for restraint and the need to increase revenues it is allowing billions of dollars, not thousands, not millions, in tax revenue to be legally avoided by Canada's richest families. This is an affront.

It is an affront to the senior citizen who might be living on an income of $18,000 a year. I had somebody say to me the other day: "I am mad as hell. I make $18,000 per year. I put some money away. I get a little annuity. And the government tells me that I have to pay the government quarterly instalments on income tax. When I tell them I do not have the money to pay at the end of the year they charge me interest on the quarterly instalments that I did not make. Mr. MacDonald, I do not have enough money to live. What in the name of goodness, this government does not just want my money at the end of the year. It is taxing me all through the year for the money as it comes in. I have worked hard to build this country. I have put a little money aside; I salted some money away. Why are they coming after me?"

That is a good question. About six months ago a lady came to see me. Her husband had died. She had never been in the work force. She had a small pension. She never had to look after the bills, never had to do the books. She did not file her deceased husband's Revenue Canada forms on time. When she did she was billed $750 for the fine and interest. She did not know what to do with it. She was making $972 a month to live on, to pay for her mortgage, food, heat and lights. However, an order was put against her pension. The government took $200 a month from her $900-plus pension. Is that the type of fairness this government thinks Canadians want in their tax system?

I think Canadians are outraged that the government has this particular clause in this legislation. I hope the government is taken to the cleaners when it goes to the electorate for this type of activity, this type of legislated unfairness which is for those who have at the expense of those who have not. We will not be supporting this bill because of it.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I listened attentively to my hon. friend from Dartmouth and he accused the government of doing things. He says the government is doing things for its friends with this bill. That is what he said.

The friends of the government are the same friends of the Liberal Party. Who initiated this trust fund in 1972? The Pierre Elliott Trudeau government of 1972. The Eatons, the Molsons, the Bronfmans, the Seagrams and the Irvings from down east all put the pressure on the Liberals when they were the government. Now suddenly they are going to vote against the bill. They are going to vote against the Frankenstein which they created. Mary Shelley would be appalled. At least you do not destroy your own creation. This was their own creation in 1972.

What do we have? Twenty-one years. For 21 years the wealthiest families in this country were able to put aside in trust accounts what we now estimate to be somewhere in the vicinity of $70 billion.

We hear it every day from across the way: "We are in tough times. We have to put our economic house in order. We have to watch our credit rating. We are living beyond our means. We have to cut back services. The people have to pay more because we have to reduce this deficit".

• (1145)

The member for Halton—Peel who is running now for the Tory leadership even had the little newspaper delivery boys put in their $2.40 a week toward debt reduction. Is that not the most ridiculous thing? There is a clock showing the debt and deficit reduction and this little boy has finished his paper route and is bringing his offerings up to the altar of the privileged. He is offering his $2.40 to reduce the deficit.

Then we have people who have money. Why is the government always taxing people who do not have money? There is a trust fund with approximately $70 billion in it and we cannot get one plug nickel out of it to help pay the costs of running this country and to help reduce the deficit. That is a phoney argument.

Let us draw a contrast with how the government treats another trust fund. With respect to family trusts, it will exempt them for another 21 years, probably another 38 years. How does it treat another trust fund? I will talk about another trust fund.

It is called the funeral trusts. Older Canadians in particular in making arrangements to pay for their burial put money into a funeral trust fund. It is usually run by the funeral parlour. What is this government proposing to do? It is proposing to reach right into the funeral trusts and tax the interest accrued on the funds in the funeral trust fund. It is financial necrophilia. That is what it is.

Mr. Nystrom: It is what?

Mr. Rodriguez: Financial necrophilia. I know there is the common saying that you cannot take it with you, but this government every day is proving that it is going to take it off you before you go into the next world.

Here we have the prospect of one family trust with a considerable amount of money in it, $70 billion. Approximately $400 million is in the accumulated funeral trust in the province of Ontario. The government is going to reach into this trust fund and tax the interest accruing on the funeral trusts. This is money set aside by individuals so that they will not be a burden on their families when they die. Their funerals will be paid for. The interest that accrues in that fund is to offset inflation and to pay for their burial costs. How tough this government is with the ordinary folk, but how soft it is with the rich and the powerful and the famous.

What has been said about this family trust? What do the trust tax professionals say? After all, we in this House are not necessarily tax professionals.

Here is what Sydney Goldstein of Goldstein, Goldstein and Goldstein in Ottawa said:

> There is no question that it represents a massive windfall for existing trusts.

Here is what Kathryn Bush of Blake Cassels said:

> A cynical person might suggest that pressure from influential political supporters also should be listed as a reason for the draft legislation.

Those are the kinds of people who would normally support the Tory government. Here is what Neil Brooks, an associate dean at Osgoode Hall Law School said:

> The government has given Canada's wealthiest families notice that it intends to give them a gift worth several billion dollars.

Here is what Arthur Drache of Fraser and Beatty said:

> If legislation now before Parliament is not passed before the end of the year, thousands of trusts would be hit with massive tax bills.

Does that not just make your heart burn? Does it not really hurt the old heart-strings?

• (1150)

An hon. member: Poor old Conrad Black.

Mr. Rodriguez: Gosh we have to bleed for Conrad Black. We have to bleed for all those very wealthy Canadians who have not paid their taxes since they have put them into these trust funds.

Mr. Speaker, you should see how tough Revenue Canada is on the people in my riding who earn maybe $15,000 or $16,000 a year and owe a couple of hundred dollars. You should see how tough Revenue Canada is. It has to collect every penny of tax. Revenue Canada phones them and writes them and is pretty effective in collecting taxes from poor people. But boy does it curl up and purr when it comes to the wealthy as in the case of the family trust. Now what has the Department of Finance said?

The question is: Why can we not stop that? Why can we not say that they have had 21 years? They have had 21 years to make arrangements to pay the taxes. That is what burns my toes. They have had 21 years. That was the purpose for the 21 years, to work out arrangements to pay the taxes.

Well they did squat about all that because they know and they knew then that they would have a friendly government. It did not matter whether it was Liberal or Tory; they had a friendly ear on the other side and they always have friendly ears collectively.

What are the arguments? Can we believe this? One of the arguments used as to why we could not do this was because of what would happen with the trust established by parents for the benefit of their disabled children. Oh my. Oh my. The very wealthy that have disabled children.

I have never heard exploitation of disabled children by a government such as we are hearing in this particular case. To use provisions for disabled children to avoid paying taxes on a fund that was set up by a Liberal government in 1972 so that they can avoid paying taxes, surely that argument holds no water. Surely there is a better way to make provisions for disabled children than to put a tax loophole like this in place which would rob the Treasury of billions of dollars in tax revenues. This is at a time when every Canadian has to pay their fair share of taxes if we are to get ourselves out of the economic mess we are in.

I see you are giving me the sign of the hook, Mr. Speaker. One last point is that if we ask them to pay the taxes on this they would somehow or other have to sell off their assets to pay the taxes. Well is that not hunky-dory. They have had 21 years to make provisions to pay what they owe, and if they have not taken steps to do that then so be it. That is the way it rolls. That is what the folks in my riding who owe a couple of hundred dollars in taxes are told. They are taxed on a daily interest rate and it accumulates and runs and there are penalties attached.

In closing I want to say it is not fair what this government is doing. It is not fair. Everyone has to pay their fair share of the taxes and when the government does this it calls into question every other tax measure it proposes.

Hon. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I too want to say a few words about the bill before the House today regarding tax changes in our country and in particular the question of family trusts in Bill C-92.

As my friend from Nickel Belt has said, the whole question of family trusts began back in 1972 when we dealt with estate taxes and capital gains taxes in this House. The Liberal Party was in power with then Prime Minister Pierre Trudeau.

There was a tremendous lobby at that time from some of the wealthiest families in this country to set up a tax loophole for them and for their families. It was to give them 21 years of protection during which they did not have to pay taxes.

• (1155)

Over the years billions and billions of dollars have been put into these family trusts. We have privacy laws in this country so we are not sure how much money has accumulated. Of course we need those privacy laws. The estimate we have from people in the field is that around $70 billion has now been accumulated in family trusts by higher income families and is tax exempt under present law for 21 years. After 21 years arrangements were to be made where taxes would be paid in the appropriate manner on the money by some of the wealthiest families in this country.

The 21 years are up. It is now 1993 and what has happened? Lobbyists have gone to the government across the way and said: "These poor families in this country are going to have to pay some taxes. We need an

extension of the 21 years". The government has now tabled Bill C-92 before the House to extend that 21-year period until the last exempt beneficiary of that trust passes away.

What does that mean? It means now that instead of 21 years those trusts may run for 30, 40, 75 or even 80 years or more if a young child has been made part of that trust. That child may not pass away until age 80, 90 or even older. Now the wealthy in this country are being given hundreds of millions of dollars by the government across the way because of extension of this exemption on family trusts.

It is not fair, just or proper that the wealthiest families shall now be paying hundreds of millions of dollars less in taxes than they would be if we kept the law in place with the 21-year limitation. Even the 21-year limitation is something I certainly fundamentally disagreed with. It was established by our friends in the Liberal Party back in 1972 as they tried to cater to the rich.

I am sure my friend from Gander—Grand Falls, being a populist progressive Liberal from Newfoundland, is embarrassed that former Prime Minister Pierre Trudeau and former Minister of Finance Allan MacEachen had the audacity to present this law to Parliament and to use their majority to force this law through Parliament back in 1972. I am sure the member for Gander—Grand Falls would like to get up in this House and differentiate himself from what the Liberals did in 1972. Now it is being made even worse by dropping the 21-year limitation and allowing the exemption to the wealthiest people to continue until the last exempt beneficiary shall pass away.

If we did not have the family trust we would be collecting literally billions of dollars more over the years in taxes from the wealthier people. Why do we let the wealthy people get away with an exemption when the ordinary people have to pay more taxes all the time? The ordinary person who makes a few dollars an hour, a few dollars a week or a few thousand dollars a year, is expected to pay his fair share on the national debt. Yet wealthy people will be left with another loophole.

How will this be done? My Liberal friend from Ottawa South is very much in support of this kind of loophole for the wealthy, it appears, and asked how it should be done. Some experts appeared before the finance committee a few days ago. Neil Brooks, an associate dean of law at Osgoode Hall, Toronto, talked about how this was a transfer of more money to the wealthy. I am sure my friend from Ottawa South has a great deal of respect for Mr. Brooks who said:

> The government has given Canada's wealthiest families notice that it intends to give them a gift worth several billion dollars.

It is giving several billion dollars to the wealthiest people while ordinary citizens in many cases are lining up at food banks because they do not have enough money to pay for food for themselves and their children. The government across the way, supported by some of our Liberal friends, is giving millions and billions of dollars to the wealthiest people.

There is another interesting quote from Sidney Goldstein. In his testimony he said he had been a supporter of the Conservative Party in the past and had served on the Conservative task force. He was therefore sympathetic with its general direction and thrust. Despite that, this is what he had to say:

• (1200)

> There is no question that it represents a massive windfall for existing trusts.

This was from Sidney Goldstein of Goldstein, Goldstein and Goldstein in Ottawa who has been involved in the past with the Conservative Party.

Kathryn Bush, another tax expert, said:

> A cynical person might suggest that pressure from influential political supporters should also be listed as a reason for the draft legislation.

Arthur Drache of Fraser and Beatty said:

> If legislation now before Parliament is not passed before the end of the year, thousands of trusts would be hit with massive tax bills.

If we do not pass this legislation to extend the 21-year period many wealthy people will finally be paying a few million dollars more in taxes. About $70 billion is sitting in these trust funds escaping taxes today. If we do not pass this bill a lot of that money will be collected. If we collect that money from the wealthy people, from the Eatons, the Bronfmans, the Seagrams and people of that sort, then the ordinary people in my riding of Saskatchewan might get a bit of a break in their tax bill. Perhaps medicare would be better protected for the ordinary

people or the family allowance program would not have had to be abolished. The old age pensions could be adjusted to give our senior citizens a better income to live their last few years in our land.

There are many ways we could use the money from the trust funds. We now have a debt of about $450 billion. It was about $200 billion when the Conservatives took office some eight or nine years ago. It is now $450 billion and we are at the point where about 30 cents on the dollar that we pay in taxes now go to pay the interest on the national debt.

One of the many reasons our national debt is so high is that the wealthy have not been paying their fair share of taxes for too many years. If people make $1 million a year or more why should they not pay their fair share of taxes? Why all the loopholes for the wealthy?

I suggest if one looks at the income tax returns year after year one finds that many of these wealthy Canadians and big corporations are very generous contributors to the Conservative Party of Canada in terms of their electoral funds and funds for the ongoing operations of the Conservative Party. It comes right down to the old saying: "He who pays the piper calls the tune".

These people are now saying that 21 years is over when they have been exempt from taxes and they want it extended. They lobby the government. It is an election year and of course the government brings in Bill C-92, part of which is to extend the 21-year limit of tax exempt status to family trusts. If this bill passes which it will because of the Conservative majority, it will abolish the 21-year limitation and allow these family trusts to sit on tax until the last exempt beneficiary dies. In many of these cases that will be 30, 40, 50, 80 or even 90 years.

The time has come when this government should start taxing the wealthy and giving some tax breaks to the ordinary citizens. If it did that, we would have a much stronger Canada for each and every one of us.

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, I would like to add a few comments to this debate because a lot of comment from the other side of the House has distorted some of the elements of the question of trusts and what they do.

I am not here to speak in support of trusts or say who should or should not be taxed. However, I think we should try to put this in perspective and understand what we are dealing with. We should not allow too much misinformation so people think trusts are something they are not.

• (1205)

It is important to recognize that trusts are created for a variety of reasons and in some cases have tax consequences. Putting assets in a trust does not mean that all of a sudden no tax is paid. Income from those trusts is taxed every year just like other taxpayers. If there is income from regular sources or capital gains trusts are treated the same as any other taxpayer and, for that matter, are taxed at the top rate of income tax every year.

They do not necessarily get the benefits of an individual taxpayer who would have other benefits which would reduce that top rate of income tax. We are talking about assets that have been put into a trust for one reason or another and when they should be taxed just simply because they have been accumulating wealth for an individual during his lifetime.

Prior to 1972 there was an estate tax. When people died they were taxed based on the value of their estates or the assets they had at that time. In 1972 a capital gains tax system was implemented. That means when people sell or dispose of assets those gains are taxed. They are taxed when the person transfers those assets to the trust. It could be said that the person has chosen to have died earlier because by transferring those assets to the trust those assets are then subject to tax at that time. Otherwise those assets would have remained not subject to tax and not taxed until the death of the taxpayer.

Setting up a trust advances the time of the tax and the tax applies when the trust is set up. The change in this rule allows those trusts to continue to be reinvigorated and transferred from one trust to another without tax being paid. In some cases it prevents this.

In the case of beneficiaries this change deems that where the assets are in a trust they will not be taxable or can be chosen not to be taxable until the last beneficiary of the person who set up the trust dies. In other words the treatment becomes the same as if the person distributed his or her assets directly to the beneficiary.

We are not saying tax is never paid. First, tax is paid when the trust is set up as if the taxpayer setting up the trust had disposed of those assets at that time. Second, trusts are taxed on an annual basis just like any other taxpayer. Finally we are saying they will be taxed when they are either distributed to the beneficiary or the last beneficiary of the trust dies.

It has been suggested that billions of dollars are involved here. That is simply not true. Most of the trusts affected by this rule in the absence of these changes would simply distribute their assets in any event. Income taxes will be paid by the beneficiaries when the assets are sold or when the beneficiary dies. In such cases the new rules do not change either the amount or the timing of the tax paid.

We could revert to a system of inheritance tax on death and eliminate the capital gains tax where in many cases we tax people in advance of dying. That was the objective of the Benson tax reform at that time. As has been pointed out, the Liberal government of the day did not want to allow capital gains to build up for years and years. It decided to tax them on an interim basis such as when people sold them. If they did not sell them they would become taxable on death, or in the case of transferring them to a trust they would become taxable at that time. We chose to collect taxes sooner than the pre-1972 system. That is the result of some of these changes. What we do not do or seek to do, however, is tax them twice, tax them both on the distribution to the beneficiary and on an annual basis or every time the gain is realized. We could choose to do that. We could double tax them but I do not think anybody here is suggesting we do that.

• (1210)

What is being suggested is that somehow these trusts avoid taxes and no one ever pays any tax on them. That is simply not true. What it does in most cases is it advances certain taxes that are paid to a time prior to when they would otherwise be paid.

We should try to determine whether these rules are appropriate or whether we should change to some other form such as an inheritance tax. If that is what is being suggested by the opposition parties then I think it is a fair suggestion. In my view it is probably a good idea and one we should examine.

I do not think we should allow the misunderstanding to be perpetuated, that somehow trusts simply are vehicles by which wealthy people avoid tax and never pay any tax. They are part of the over-all tax regime. In a number of cases, including the changes in these rules, trusts are forced to pay taxes every 21 years rather than only when the person setting up the trust dies. In other words, in many cases with the 21-year rule trusts will be taxed every 21 years. We will be taxing those benefits or those accrued gains sooner rather than later. When later comes there will be less tax payable because they will have been taxed on an ongoing basis.

Mr. John Manley (Ottawa South): Mr. Speaker, I too would like to engage in this debate, not so much as a matter of the rhetoric of tax reform and the partisan differences but to try to get a few concepts clear.

Perhaps because of my background I find it very offensive when some speakers, such as the last speaker from the NDP, the second to last speaker in the House, stands and flagrantly misrepresents the nature of the taxation regime that exists and the changes that were introduced in the reform of 1971-72.

I understand that some of these issues are complex and difficult but a few points should be made. First, and the speaker who spoke previously mentioned this, trusts are a fundamental part of our system of law, not just tax law but private law.

When I practised law most of the wills I prepared for people with children contained trust provisions, not because they were rich, not because they were some kind of an elite wealthy group, but because they did not want their children to inherit, usually life insurance proceeds, before they were old enough to manage the money. So a trust was set up in the will. Very often it required that the child reach age 25, sometimes older, before he or she received the capital assets of the trust. They could be quite considerable, even for somebody of modest means who invested heavily in life insurance in the event of their death.

These trusts exist in many cases. They are carrying on, they are continuous, and they are taxed just as all trusts are taxed. When the NDP member from Saskatchewan gets up and says that the Liberals brought in a law whereby trusts were not taxed for 21 years, he is simply not stating what is true. It is not correct.

I am sure it is difficult for people to understand the difference between taxing income and taxing capital. But if we do not have some understanding of what that

means, we cannot understand what the provision is that we are debating here.

Income is the amount that we earn on a continuing basis. If a person has a Canada Savings Bond, the bond itself represents capital and the interest received on it is income. The income of trusts is and always has been taxed. It was taxed prior to 1972. It is taxed subsequent to 1972. If the trust is set up between people who were alive that income is not taxed the same way an individual's income is taxed. It is taxed at a higher rate. It is taxed from the first dollar at the maximum rate of tax for individuals.

• (1215)

If the trust is one such as I referred to in my example in a will, the income is taxed every year just as an individual's income is taxed. The difference is the trust does not get the personal and dependent exemptions that an individual has to rely on. Either way, income earned on an annual basis is and has been taxed.

What about capital gains? What is a capital gain? Perhaps a person owns a piece of land, a small apartment building, a duplex or shares in a corporation that can be sold on the stock exchange. Any time one of these is disposed of and there is a profit over and above what was paid for the asset, there is a capital gain. It is taxed as income in Canada, subject to the fact that we reduce the total gain to 75 per cent for the purposes of determining taxable income. The lower rate reflects the fact that we do not take inflation into account. If a property was bought in 1971 and sold this year, 22 years later, there is a gain on it. We do not take into account inflation. We only require the person to include 75 per cent of the gain in income.

There are debates about whether it is fair, whether it is the right number, whether it should apply to all gains or whether it should be long-term gains as opposed to short-term gains. I will not get into that today. The principle is this, gains are taxed.

When my friend from the NDP says that the Liberals introduced a loophole in 1971, what he is failing to mention is that prior to 1972 capital gains were not taxed at all. Zero per cent of the gain was included in income, not just for trusts but for individuals and corporations as well. Capital gains were not taxed. In 1971 under the tax reform of that year, for the first time capital gains were included in income for taxation purposes. This was a major reform, arguably the most important reform in our income tax law since income tax was introduced in 1917.

What do we do with trusts? It is very easy with individuals. We determine the capital gain either when they dispose of the property, when they give it away to somebody or when they die. That is easy, no problem. What do we do with trusts? A trust is a legal concept which has permanence in our British system of law. It has some correlations in the French civil code but it is not exactly the same. It is an ancient concept. Trusts do not die. Trusts do not die, so how do we determine their capital gains?

If the property is sold that is when they realize a capital gain. It is taxed. There is no difference there between a trust and an individual. The problem is this. Some trusts, depending on their terms, can literally go on forever. What is the answer? The answer that was proposed in 1971 is to say 21 years is a long enough trust and every 21 years whether the property is disposed of or not it will be deemed to have been sold even if it has not and capital gains tax will have to be paid.

It did not seem unduly harsh at the time and I have to say it does not seem unduly harsh to me today. That is why I oppose the amendment that the government is proposing. People need to understand what the concept was that this rule was trying to get at. NDP members like to say it is a big loophole. The fact that there is a 21-year delay they allege is a loophole.

• (1220)

I asked the member from Saskatchewan earlier what he would do. He did not have an answer. Are they proposing that all capital gains realized or unrealized in trusts be taxed on an annual basis? Is that what they are proposing? If so, why do they not say so? Why do they not say that they want all those little trusts out there—many of them are not very big—which are established for the benefit of children, to hire appraisers every year, to hire expensive accountants every year to figure out a complicated tax return every year for these trusts that are really only going to be set up for five to ten years?

Why do they not admit that is what they want to do? Why do they not admit that they want to bring a system of market value assessment on an annual basis into our income tax law so that every year we are having to appraise all of our assets? That is the kind of inter-meddling stupidity that the NDP has become famous for in the province of Ontario. They are not honest enough to admit that is what they want to do.

The proposal put forward in 1971 made sense. It gave the trusts a lot of time to make their arrangements. To plan 21 years is a long time in anyone's lifetime. I do not understand why the government feels that at the last minute it has to say it is going to grant a reprieve. I simply do not understand.

I do not agree the numbers that have been spouted by some members on how much is out there are valid. I do not think there is any way of knowing how much tax might be generated with the 21-year realization. I think it is fair to say it is a considerable amount of money.

With the current fiscal situation the government is in and the reasonableness of the test passed in 1972, I fail to see why this amendment has been brought forward by the government.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 1 standing in the name of the hon. member for Sudbury. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

Mrs. Diane Marleau (Sudbury) moved:

Motion No. 3

That Bill C-92 be amended in Clause 47 by striking out lines 3 to 41 at page 111, lines 1 to 48 at page 112, lines 1 and 2 at page 113, lines 13 to 38 at page 115, lines 1 to 48 at page 116, lines 1 to 51 at page 117, lines 1 to 37 at page 118, lines 1 to 39 at page 119, lines 1 to 48 at page 120, lines 1 and 2 at page 121, lines 12 to 48 at page 123 and lines 1 to 21 at page 124.

She said: Mr. Speaker, this motion deals with the clause which would force all holders of passive real estate not to have a capital gains exemption.

In 1985 the Conservatives brought in capital gains exemptions. In essence they were very much a gift to the Canadian people in that they were a very nice tax loophole. There was the $500,000 capital gains exemption for small business. There was the $100,000 capital gains investment on any kind of share profits or real estate profits Canadians might have.

As a result many Canadians did cash in and paid no taxes on that $500,000 capital gains or the first $100,000 capital gains on the profit from the sale of shares or the profit from the sale of properties.

• (1225)

Bill C-92 says in its provisions that from February 1992 the capital gains exemption for $100,000 on passive property will no longer be in place, that the only people who will qualify for the $100,000 capital gains exemption will be those who are operating what they call active businesses.

In committee I asked what was an active business. I wanted to know about a Canadian who had invested in an apartment building. Many Canadians may build a house, a duplex or a triplex. They may live in one part of the house or rent the whole thing. They might have three or four apartments that they rent. Generally they build them, work at them, collect the rents and do most of the maintenance work. This, for many Canadians, is a way of putting aside money for the future.

I was very much interested whether this particular kind of individual would still qualify for the $100,000 capital gains exemption. I was told no, this particular individual

would no longer qualify for the $100,000 capital gains investment because he did not pass the test of an active small business. The test is that it would be a business employing a minimum of five persons.

I fail to recognize why this government would choose to single out the owners of small apartment buildings and deny them something that they are allowing other members of the Canadian community, namely to realize a capital gains of $100,000 tax-free.

I often wondered whether the government was doing this on purpose. Was it really aware it was doing this? It was very much aware that all these ordinary Canadians would now be fully taxed on any gains on their small apartment building. However, if someone wished to invest in a race horse in Kentucky and sold that horse at a profit, the first $100,000 could be used as their $100,000 capital gains exemption. Is it not wonderful? If they played penny stocks and made any kind of gains, they could use that first $100,000 and not pay any tax on it.

I thought to myself there is something wrong here. We have just been through the discussion on extending the 21-year rule for trusts. Why would the government on the one hand take away the 21 years and allow Canadians in some instances to defer taxation indefinitely on assets in these trusts and then turn around and apply a rule which would penalize ordinary Canadians and which would take away something that they might benefit from if it were left in place?

I had a great deal of difficulty coming up with any real answers except that it is looking for revenues. We know that there is a debt-deficit crisis or at least there is a serious problem in our country, but I say we have to treat all Canadians the same. If we are going to have capital gains exemptions then we should have them for all Canadians. We should not pick and choose: "Well, because you choose to work hard, build an apartment or fix up your own apartment, when you sell your apartment you cannot have the tax-free $100,000 exemption on your capital gains, but if you want to buy a horse somewhere you can have it".

It just did not make sense to me. That is one of the reasons I oppose this particular measure. If the government wishes to say that there will be no more capital gains exemptions because it can no longer afford this gift to people, that is fine.

• (1230)

If that is what it would like to do then do it. However it should not pretend that it is just being fiscally responsible and say: "We want to channel the moneys in investments versus having it sitting there doing nothing". When people invest in a small piece of property or apartment building, they are doing something to help themselves.

These same property owners have been dealt some very serious blows in our economy. Rent controls have caused them extremely serious problems. Most people now would not buy an investment property because it just is not worth while.

The NDP in Ontario has made it extremely difficult for the ordinary apartment owner to function and make any kind of a profit. If he can sell his building at any kind of a gain, he certainly deserves that $100,000 exemption. This says no. This will not happen with those people.

What I want this government to do is to come clean, not pretend any more. If it does not want capital gains exemptions then it should say so and have absolutely no exemptions for anybody. Otherwise it should treat the average Canadian fairly. That is not happening here.

It is a case of representing the people of Canada, being up front about it and saying to them: "I believe that what you are doing is worth while. I can afford to give you a tax break" or "I cannot afford to give you a tax break". I say to this government that it should make up its mind which way it wants it. Then it should come forth with some proper laws which will treat all Canadians fairly.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I would like to say a few words in support of my hon. friend, the hon. member for Sudbury, and the amendment put forward by her.

The member put it quite well. On one hand the government says it is going to give a capital gains break to somebody who buys a race horse in Kentucky, Texas, or in any of the other states in the United States where they are in the business of breeding race horses. They buy the race horse. If there is a gain realized from the race horse, the government says: "That is fine. We will give you a tax break". On the other hand, there is a

different type of capital gain, namely something that pertains to property in Canada, on which it will not allow that same exemption.

A moment ago members of the NDP were making reference to me, saying that I was embarrassed about this entire question of capital gains that was brought in by the Liberals. I want to thank the hon. member for Ottawa South for explaining what happened in 1972.

As we know, Canada did away with the inheritance tax, the estate tax as it was called at the time, in 1971. We had an inheritance tax just like they do in the United States today.

If one dies in the United States today and one has any amount of property, by law it all has to be assessed. If it is found that the market value of the property is worth more than $600,000, it is taxed. I do not know what the rate is now. It used to be 55 per cent of the value of property that was judged to be in excess of $600,000. It is called the inheritance tax.

We had such a tax in Canada prior to 1972. The tax kicked in at somewhere around $150,000. If the value of all property was judged to be in excess of that, it kicked in at a rate of 15 per cent or 10 cent and went up progressively from there.

That was the situation prior to 1972. The law was changed in 1971, taking effect in 1972, to replace the inheritance tax.

• (1235)

Canada does not have an inheritance tax any more. It was replaced by the capital gains tax, which in 1972 when it was brought in was 50 per cent of the normal rate of taxation.

When the Canadian government brought in that law instituting the capital gains tax and doing away with the inheritance tax, it did not create loopholes; it tried to plug the loopholes. The 21-year rule was in my humble opinion an effort to plug a loophole. As the previous speaker from Ottawa South pointed out, a trust does not die. An individual dies but a trust just does not die.

The problem was what to do when somebody had their assets in a trust and the deemed value of those assets would normally become taxable upon death. What if it is put into a trust prior to that moment in time and of course the trust cannot die?

One must lay down a law so that at the end of every 21 years all the assets in that trust and the accrued value of the capital gains on the assets would come due. One would say that the trust would have been deemed to have died at that moment in time at 21 years.

That was not a loophole created by the Liberals. That was a plugging of a loophole by the Liberals that would have seen, according to the testimony before the committee, vast sums of money now coming into the public Treasury because of that capital gains provision in 1993.

This would have been very handy for the Government of Canada at this moment in time when it is trying to get money here and trying to get money there. That is why quite frankly we are puzzled as to why the Government of Canada would forgo that kind of revenue at this moment in time.

I wish to raise on this particular amendment proposed by my hon. friend a serious problem relating to capital gains and the capital gains exemption. The Government of Canada has throughout the past two years given certain payments to individuals in Canada that have been judged to be capital gains and that qualify for the capital gains exemption under the $100,000 exemption.

A lot of these payments have been given in our agricultural industry, farming industry and fishing industry. They are the primary industries. The payments have been for people to get out of the business they are doing.

In other words the Government of Canada has come along and said: "Look, we are going to give you a payment". In my particular case on my coastline of Newfoundland it says: "We are going to give you money for selling your licences back to us so we can get you out of the fishery". In this case it was in particular salmon licences. However, it says that it qualifies for the capital gains exemption that we are talking about today because it says it is property. That is what it was judged to be.

However, in offering the money to Canadians and saying to Canadians: "Look, we will judge this to be a capital gain to qualify under the capital gains exemption", they forgot to tell those Canadians 60 years of age or older that the Department of National Health and Welfare has a rule. It says that if one receives money in

the previous year as a capital gain that has to be subtracted from the guaranteed income supplement and the spousal allowance in the following year.

• (1240)

This means that right now under the capital gains and the capital gains exemption which was granted last year, hundreds and hundreds and hundreds of people over 60 years of age are receiving notification this week and next week that their spousal allowance has now been cancelled because of the capital gain and the capital gains exemption last year and that the guaranteed income supplement has been reduced accordingly.

I raise the point in discussion today about this capital gains exemption and the subject of the capital gains and the capital gains exemption as it relates to this particular bill. Hopefully somebody in the ministry will see the light and pass a minute of cabinet that says persons who received this money and who had an income that normally gave them the spousal allowance and the guaranteed income supplement would be exempt as far as capital gains and the capital gains exemption of last year is concerned in their guaranteed income supplement and in their spousal allowance, both of which are about to change in April.

I will get back for the minute that I have left to the proposal put forward by the representative of the Liberal Party. Why would one bring in a change in one's capital gains exemption that would say that one is not going to encourage people to build buildings, homes or apartment buildings, but one is going to encourage people to buy race horses in Kentucky? That is the essence of the amendment we are talking about today.

On that basis I would have to strongly support the proposal put forward by my hon. friend.

Mr. John Manley (Ottawa South): Mr. Speaker, the amendment, just to put it in context, proposed by the Liberal member for Sudbury would retain the $100,000 capital gains exemption for people who invest in real estate.

In a way this amendment gives me some problem because I personally feel that the $100,000 capital gains exemption should be abolished altogether. I support the capital gains exemption for farmers and for small business people who dispose of the shares of their small business because this is one of the key ways in which people in those categories are able to provide for their own retirement.

With respect to the $100,000 capital gains exemption this has been in operation since 1985 at a lower rate and then was gradually built up to where it is now. I think the minister of the day proposed to bring it up to $500,000, but it was finally stopped at $100,000. The evidence is that this benefit accrues only to those who are in a high income category and therefore have lots of cash available to put into investments. I do not think the government has been able to produce any evidence whatsoever that it has stimulated investment or, in other words, that it has caused people who would otherwise have consumed their savings to have instead directed it into an investment which would go to create jobs in Canada.

In the absence of that evidence I do not understand really the rationale for having the $100,000 capital gains exemption at all. However, if we are going to have it, is it not peculiar that the government has decided to exempt investment real estate from it?

Let us make another thing clear. This proposal from the Liberal member for Sudbury does not suggest including real estate in the exemption that is not investment related. In other words, this is not a way of reopening it for second family homes to get into the exempt category. It is a proposal for people who want to invest in a duplex, a triplex, a little apartment building or a little commercial property, to give them the same benefit as the government is permitting to continue to accrue to those who go to their local broker and buy shares in a company.

• (1245)

With respect, I do not understand that rationale. Very often it is the small real estate investor, often a first-time home buyer who buys a duplex and rents out the other half, a small business person or a corner store operator who rents out an adjacent apartment or has some investment in real estate involved in their assets. They are not usually incorporated. They are usually small, low end and unincorporated.

The NDP in Ontario has done everything it can to destroy the real estate investment market in the province of Ontario. If one wants to find commercial real

estate for a bargain price, I suggest Ontario and especially Toronto.

What the NDP has done cannot be offset by permitting a $100,000 capital gains exemption for investors in real estate because frankly there are no capital gains in real estate at the present time in Ontario any way. Perhaps times will change and things will improve.

However, to put it in the most cynical way possible, it seems to me that the government in bringing in this amendment is favouring the brokerage industry by permitting people to get the capital gains exemption if they invest through a broker in listed stock but not if they buy a small piece of real estate and try to make a little bit of a gain on it by renting it out and hoping that it increases in value over time.

If I had my way I would get rid of the exemption altogether, but if we are going to keep it for some kind of investment why target it for the blue chip stock and not for the little investment in a real estate property that so many small investors look to for the way of building a little bit of savings for their future?

Mr. Joe Fontana (London East): Mr. Speaker, I too would like to speak on the proposed amendment of my colleague in our party from Sudbury with respect to the capital gains exemption.

I would like to touch on two areas that I think my colleague from Ottawa South pointed out. It was the philosophical issue as to whether or not one needs capital gains exemptions at all. However, I think one ought to look at the fairness of the tax system and the removal of this capital gains exemption as proposed by the government in this Bill C-92. Of course the Liberal amendment is to change that and to allow those exemptions to occur.

I guess I want to deal with two aspects. One aspect is with regard to the fairness of the government's move to eliminate the capital gains exemption from real estate. I think my colleague from Ottawa South touched on the reason why the government would only want to look at real estate and not at other opportunities where the capital gains exemption would remain.

I am in favour of the capital gains exemption at all levels. I believe there is a purpose to those capital gains exemption, that is to allow citizens no matter what income stream they are in to invest in various opportunities such as business, stocks, real estate, farming or a number of other areas. I think that is an important policy matter for any government, but I believe we ought to encourage people to invest in their country in an indirect way by investing in business, real estate, farming or in other ways.

The incentive of capital gains exemption to the tune of $100,000 allows people to directly invest in their future and the country's future in opportunities not only for themselves but for their families and again their communities and their country. Therefore I think philosophically we ought to look at why one should have a capital gains exemption at all. I believe that those capital gains exemptions are there for a purpose, that is to stimulate investment, savings, activity, growth and job creation. One could make a very good case for those capital gains exemptions.

• (1250)

Therefore I believe it is punitive and unfair for the government to essentially say that capital gains exemptions are all right except for real estate. It is looking at one class of business and saying it will no longer be considered for the capital gains exemption. That should be taken into consideration. Our amendment tries to put everybody on the same footing in the same class.

Unlike the member for Ottawa South who might say for instance that we should get rid of all capital gains exemption, I come at it the other way and say that I believe in capital gains exemptions as an opportunity for job creation as well as wealth creation. That is fair. We approach the situation differently.

With respect to the specific benefits of this capital gains exemption, as the housing critic for my party I think it is fair to say that looking at the profile of the average person who invests in a duplex or triplex or a small apartment building the country and communities achieve a social benefit by those people investing in those kinds of properties.

We get a supply of housing stock which becomes affordable housing. If it is only left to the big guys, the big developers and contractors, the ones with the land to develop the apartments and so on, and not allow anybody else into the real estate market, I suggest we will not get affordable housing but the market will essentially be driven by very few people.

Members of the middle income group for a great many years have primarily been investing in these duplexes and triplexes. They want to provide for their own pensions, their own futures and those of their children, and do so by investing in real estate. They have also provided this country with a great supply of affordable housing. I believe the Canadian Real Estate Association and others have indicated that if this opportunity for people to invest in real estate is taken away, this country and its communities will be worse off in terms of affordable housing.

Before we go about trashing this capital gains exemption just because we want to get to the speculator, the person who in better times in an overheated inflationary market was able to take advantage of buying and selling, we can put in place certain safeguards to make sure that kind of speculation does not occur. But let us not take away a fantastic financial incentive mechanism for the average person to be able to invest in real estate.

Just like they will continue to be able to invest in stocks or businesses, let them continue to invest in real estate. The side benefit to the country and the community will be the great supply of affordable housing. We know how tragic it is that a lot of people are finding it very difficult to afford shelter. In fact, over 1.5 million people are putting over 30 per cent of their income toward housing. There are 500,000 people who are paying at least 50 per cent of their income toward housing.

There is an opportunity in having the average individual invest in rental income, be it another house, duplex or triplex. At the end of the day this country benefits by that investment. Yes, they do benefit themselves because of the tax write-offs and tax advantages, but they are also investing in their future, the creation of wealth and the future of their children.

I suggest this particular capital gains exemption which this government now wants to take away will be negative for the economy. It will not do anything in terms of creation of jobs or the creation of wealth in this country.

I support the amendment put forward by my colleague, the Liberal member for Sudbury. We should try to convince this government that if it wants to take away the speculative aspects of this particular exemption because it feels it may have been abused in the past, there are other ways of doing that other than trying to take away this exemption totally.

• (1255)

Again on the fairness aspect, why pick on the real estate or property end when in fact stocks, bonds and business investments are allowed to remain intact?

I believe in the whole concept of capital gains exemption. It is a great opportunity for people to invest for themselves, for their future, for their children's future and for this country in providing the prosperity and jobs the country needs.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the particular provision in the statute has caused me considerable problems, but I think on balance there is some good rationale for the provision and the amendment ought to be defeated.

It is fair to say that of the capital gains claimed tax-free by the $100,000 exemption, over half of the gains for filing purposes have been claimed on small amounts of real estate. By and large, those items of real estate have been vacant land and property which is non-income producing.

The whole purpose of the exemption or allowance of $100,000 for capital gains was to direct investment into something that would spin the economy along. Investing in a vacant lot or investing in a cottage site, or just having an extra family home is not something that spins the economy along. The real question is: Should that kind of investment somehow be tax-free to the extent of $100,000?

It is the government's view if we are going to have allowances that reduce people's taxable income made by capital gains provisions it at least ought to be income derived from investment that is of a go-go nature. Therefore if one buys and invests in a mine or a business or buys shares that have some input into the job creation activity of Canada and there has been a risk taken, then there is some justification. My friend from Bird's Hill will agree there is some justification for giving a bit of a break.

But surely if one just buys a piece of land and it goes up in value, that is a different matter. There is no gain. No jobs are created. There is nothing done there. There might possibly be a job for the lawyer handling the purchase, possibly a job for the lawyer handling the sale and possibly a job for the real estate agent, but there is really nothing that makes Canada grow. It is a static investment.

My friend from London though is speaking of the small investment like the duplex or the store, something of that nature. He will know that under the other provisions of the Income Tax Act capital cost allowances, mortgages and all the rest of it are deductible from the earnings of those businesses to the extent that an income can be made, losses can be claimed and tax is not paid on the losses. There is a profit in that business, albeit small, but it is a profitable business.

That type of business is a business purchased for that reason and when the assets are sold gains tax should be paid on it. If it is incorporated, gains tax is paid. If it is held as an unincorporated amount then the $100,000 has previously been allowed. But surely that $100,000 exemption ought not to be allowed here because the property only goes up in value by the speculative increase in the market, not by anything that is done to the property to make it go up in value.

• (1300)

Real estate is different from investing in stocks or shares in a market oriented company. In a market oriented company shares can go up in value because the company produces profits. It moves ahead. The company retains growth because it does not distribute its earnings to its shareholders but retains those earnings. The company ploughs those earnings back in and it makes things grow.

Real estate is not like that. You buy a duplex and you rent it out. You maintain it presumably, but it does not grow in value. It may increase in value because of the general inflation in the area, but it does not grow in value by the work, the effort, the energy of the company like a stock does. It grows in value only for one reason. That is because of inflation and that is because the location may be more desirable.

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member, but it being one o'clock p.m., pursuant to order made Monday, March 29, the House will now proceed to resuming the adjourned debate on the motion of the Prime Minister for the second reading and reference to a legislative committee in the Departmental envelope of Bill C-116, an act to provide for greater certainty in the reconciliation of the personal interests and duties of office of public office holders, to establish a Conflict of Interests Commission, to amend the Parliament of Canada Act and to make consequential amendments to other acts.

* * *

CONFLICT OF INTERESTS OF PUBLIC OFFICE HOLDERS ACT

MEASURE TO ENACT

The House resumed from Monday, March 29, consideration of the motion of Mr. Mulroney that Bill C-116, an act to provide for greater certainty in the reconciliation of the personal interests and duties of office of public office holders, to establish a Conflict of Interests Commission, to amend the Parliament of Canada Act and to make consequential amendments to other acts, be read the second time and referred to a legislative committee in the Departmental envelope.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to say a few things about Bill C-116. I served on the joint committee that looked at Bill C-43, which was the previous bill introduced by the government to deal with conflicts of interest as it applies to members of Parliament and ministers.

Let me start by saying that the House of Commons represents the people of Canada. Those who are elected to the House of Commons do so through a process which involves their political parties. In the case of independent members, the independent will go directly to the constituents.

I want to stress that at no time has it been my experience that the people in any riding across this country have ever put a gun to the head of an individual and said: "You must run". I have never known of anyone, and it is not in the historical experience of this House that any individual was ever forced to be a cabinet minister.

No one is forced to seek office in the House of Commons. In fact, in order to come here candidates actually court the electorate in elections. Therefore it is at the disposition of the electorate that we sit in this House. It is at the behest of the people of Canada that we are elected. It is a privilege for us to be here representing the people of our country and, in my case, the people of Nickel Belt.

I want to say that because when we deal with conflict of interest we have to recognize there is a tendency and temptation to suddenly become very righteous once we become members of Parliament.

• (1305)

When we are running for office it is not unknown to have a family portrait and to include the dog in the family picture. They say every politician should have a dog. They try to portray themselves as wonderful family persons.

Candidates do that. They are very open when they are running for office. They will tell anything about themselves. They will tell how many times they smoked paper and inhaled it. One of them said: "I smoked paper, but I did not inhale it". The other one said: "I did. I cannot tell a lie. I enjoyed it". They are very open, want to disclose everything. Nobody asked them to and they are willing to disclose.

It is positively indecent. Some of them should be arrested and charged with exposing all these things that one would consider before they sought office as private. Sorry, it is a family show.

They are elected to the House of Commons and suddenly the curtain of secrecy descends. No more willingness to disclose. The prevailing principle is for me to know and for the public to find out. That is the prevailing principle once elected to the House, and when they get into the cabinet do they ever do things.

We had one fellow here. He put all his holdings into a blind trust. The only problem was the blind trust was his wife. That was permissible. I know love is blind, but how can a blind trust be blind when you sleep with the same person who holds your blind trust.

Mr. Blenkarn: As long as the lights are out.

Mr. Rodriguez: No, I am sorry, that is not true. No, it is not true. The hon. member said that we are all a bunch of crooks. No, it is not to say that. How was it when we were running for office we were so willing to disclose. Now we are elected and suddenly a curtain of secrecy has descended.

I want to put the Prime Minister on the record. In 1987 the Prime Minister warned would-be MPs, those who would be MPs: "You had better be ready to open your life and books to the public. We are going to be as clear-cut and brutal as we can". That was the Prime Minister. He established a very high standard. Then we got Bill C-46 and before it we got Bill C-114. Then we got Bill C-43 and now we have Bill C-116.

There is no doubt being in the House of Commons, being a minister of the Crown, being a parliamentary secretary, that on occasions conflicts will arise. We recognize that, but the question then has to be asked: How do we deal with situations (a) to avoid the perception of conflict and (b) when there is a conflict how do we deal with it? It is where the private interests of the member interfaces with the public interest. When there is a conflict it must be resolved in the public interest. It means that we must put in place a regime to avoid as much as possible the possibility of conflicts arising.

• (1310)

The government once again in the dying days of a Parliament introduced Bill C-43. A joint committee was struck to look at that bill and it was lead by the member for Mississauga South as one of its co-chairpersons.

When we started out it was very interesting. There were members on the committee who subscribed to Mitchell Sharp's position that we should return to the era of C. D. Howe. It was a kinder, gentler era. Nobody accused C. D. Howe of having a potential or possible conflict when every day while he was a minister of the Crown he would take out his stocks and bonds and see how they were doing on the market at the same time he was minister for everything in the government.

There are members sitting in the House who subscribed to that, but to give them credit and to salute them I want to say that as we proceeded through the witnesses there was a very perceptible change. There was agreement that we could do better than Bill C-43. We came to an agreement and submitted our report to the government which was in effect a rewriting of the bill.

To start we did not see two regimes in the House of Commons. We did not see two regimes for resolving conflicts of interest. We did not see two regimes for reporting assets and liabilities of members. We saw what? We recommended a jurisconsult and that all members be subject to the jurisconsult. We would have one set of rules that applied to all members, parliamentary secretaries and ministers. We felt that was the way to provide some uniformity in the rules.

What have we discovered in the creation of Bill C-116? We see the creation of two bureaucracies, a bureaucracy called the commission with a commissioner for ministers, parliamentary secretaries and public servants, and for the ordinary garden-type member of Parliament, a jurisconsult.

There is a problem here. This is the Siamese twins of conflict of interest except they are not joined at the head. They are joined at some other part of the anatomy because from time to time there is an overlap. From time to time a minister would have to consult with the jurisconsult, not with the commission or the commissioner.

This would be creating a conflict of jurisdiction. The bill as we know it is riddled with terminological conflicts and definitions that do not mean the same thing to the two bureaucracies. For example, we had the minister check to see if he had a possible conflict of interest when an issue comes up in cabinet or within his jurisdiction. He then comes to the jurisconsult. He does not go to the commission.

How would the jurisconsult know if the minister has a conflict when the minister did not declare his assets and liabilities to the jurisconsult? He declared them to the commission. He has a problem.

• (1315)

The committee did not recommend that. We also have a problem with the question of recusal. The committee recognized that we should create the atmosphere in which the public has the assurance that we are acting in the spirit of the legislation which is the avoidance of a conflict or of the appearance of a conflict.

I will use these interchangeably because when Justice Parker looked at the Sinclair Stevens case he said even if there is an appearance of conflict there is conflict. In other words, if there is smoke there has to be fire.

Therefore on the question of recusal it is very important to honour the spirit of any conflict of interest law, the spirit of trying, attempting and satisfying the public that the public office holder has attempted to avoid the appearance of conflict.

Recusal means that if an issue comes up in committee, in the House or in the cabinet, a member may have a conflict because for example we are dealing with the Bank Act and he owns more than one-third or 10 per cent of a bank. He then has to declare the interest. He has to declare the conflict. He has to remove himself or herself from the discussion of that particular change to the Bank Act and avoid voting on the issue.

It is not difficult. When I was a municipal councillor I did it. It is incumbent upon municipal councillors all across this country when an issue comes up to declare a conflict and remove themselves from debate and voting on that issue.

We recommended recusal for members and for ministers. We do not know what is going to happen behind the curtains of secrecy that shroud the class of ministers, public servants and parliamentary secretaries. We know for ordinary members there is no requirement for recusal.

It is interesting to note that in the conflict of interest laws in the United States, Ontario, Manitoba, *la belle province* and in many other jurisdictions, there is requirement for recusal. When a matter comes up where there is a conflict between a minister and the issue, between the member and the issue, that minister, that member, that parliamentary secretary, that public servant must recuse, must declare the interest and remove themselves. We do not have that in Bill C-116.

When we drafted our recommendations for the government we were even-handed in the way we treated those who held cabinet positions and those who were ordinary garden-fry type MPs. In this bill, it seems to be tougher for the MPs than the ministers, the parliamentary secretaries and the public servants. Let me explain what I am talking about. It is the question of disclosure.

Justice Parker said in his report on the Sinclair Stevens affair that full disclosure is the cornerstone on which any modern conflict of interest bill is built.

When we did our report on Bill C-43, the member for Mississauga South will remember we wanted disclosure and everybody treated the same. In Bill C-116 ministers, parliamentary secretaries and public servants will report to the commission. We do not know what they will report. It is not spelled out in the bill. Then the commission will draw up a summary and it may or may not be available for public scrutiny.

• (1320)

On the other hand, it specifies what the disclosure is going to be for the members. Certainly we never envisaged anything other than those assets that are purely personal. Justice Parker recommended that personal things such as your mortgage, RRSP funds and car loan ought to be excluded from disclosure. That is in line with what Justice Parker recommended with respect to the Sinclair Stevens affair.

When it came to spouses, there was a co-extensive disclosure for spouses of MPs.

An hon. member: You would treat them as chattels, would you?

Mr. Rodriguez: No. Once again, nobody twists your arm when you want to get into the cabinet. You have to know the rules of the game. We recommended that the spouses of the MPs and ministers would be required to declare what their holdings were and those of their dependent children.

What does this bill say? It does not require—

The Acting Speaker (Mr. DeBlois): Order, please. Your time has expired.

Hon. Marcel Prud'homme (Saint-Denis): In all fairness to my friend and colleague, I will make sure I do not use all my time so one of the senior members can participate in the debate. I am referring to the hon. member for Annapolis Valley—Hants, a good friend.

It is a conflict of interest because I have known his father for so many years that I owe it to him to give him some time during the debate. I do not want to make any comments. I would just like to participate in the debate.

[*Translation*]

I sat on that committee, which I consider to be a very important one. For the sake of our listeners, perhaps I should explain what we mean by committee. It is a place where members can work in peace and quiet, or at least in as much peace and quiet as they can muster, on very important legislation. For instance, I am now on the electoral reform committee, which has been sitting for hundreds of hours so far. This kind of thing does not make the headlines. It is a serious business and it is the same kind of work we did when a government bill, Bill C-43, was submitted to us on December 12, 1991. In any case our first meeting was held on that date.

We met 26 times. We examined the bill and called experts who appeared before the committee for long hours at a time. We met witnesses, dozens of them, and I may add that one of the members of our committee who did excellent work was the newly elected Premier of Prince Edward Island. Yes, Ms. Callbeck, my colleague, was a member of this joint committee of the Senate and the House of Commons.

• (1325)

Perhaps I should explain as well that in French *comité mixte* does not mean a committee consisting of men and women, but of senators and members of the House of Commons. There are several senators and several members of the House of Commons, and one of those members was Ms. Callbeck who finished her work on the committee and who yesterday was elected Premier of Prince Edward Island. I am sure all my colleagues will want to congratulate her.

[*English*]

As I was saying, Ms. Callbeck, a lady of great experience was elected premier of Prince Edward Island yesterday. I am sure the co-chair, the hon. member for Mississauga South and the hon. Senator Stanbury will join with me in giving her our best wishes.

[*Translation*]

I explained more or less what a joint committee is and what a committee does, which is serious business, unlike the circus we often see in the House, which tends to give Canadians a poor impression of the kind of work federal members of Parliament do, five days a week and almost ten months a year. Now our sitting days have been shortened, but we are still sitting five days a week. That compares very favourably with the schedule of provincial legislatures.

We sat on this committee because we felt it was not any easier to legislate the honesty of parliamentarians than to legislate morality. Since some people, as soon as they see members in a position of strength—and even more so in the case of senators, ministers and parliamentary secretaries—imagine that all these people are there to get rich. We had to restore public confidence through legislation. These bills will not eliminate the problem

altogether, however, and the public has a responsibility to remain vigilant.

As I have always said, the national media have a watchdog role. They must ensure that parliamentarians do what they were elected to do: pass good bills for the people of this country, although occasionally they may be tough, and that they do not in any way take advantage of their position to increase their personal wealth or that of their spouse or dependents.

I have seen quite a bit in the course of my political career, and I must say I feel uncomfortable, as a member of this committee, drafting a bill that says that from now on there will be fewer temptations. The temptations will always be there. But who often puts us in that kind of position? The people who hope that we can use our position to fill their pockets.

This bill is not perfect. I must make that clear. It is our fourth try. The hon. member for Sudbury and the hon. member for Nickel Belt, from northern Ontario have pointed out there had been another bill before. For those who are interested in that sort of thing, we had Bill C–46, Bill C–114 and Bill C–43, which we examined and scrutinized and on which we made some major recommendations to the House. The government based Bill C–116, the bill we are considering today, on this report by the parliamentary committee of the Senate and the House of Commons.

I support this bill. Whenever I travel abroad on official duties and have a few hours of free time I take advantage of that time to study, for instance, the question we are talking about today, the conflict of interest legislation. On another occasion it might be the Canada Elections Act, since my whip appointed me to that committee as well and I have a special interest in the matter. There is also the matter of parliamentary associations, because I am a firm believer in the principle that parliamentarians should know what is going on in the world. So at no cost to the state I use my free time, rather than for shopping or sightseeing, to visit different legislatures in the world where my duty calls me and to study them.

• (1330)

In Australia, I discovered a simple bill. I am one of those who want this bill to be clear, simple and straightforward, so that people can understand it on first reading, take it in and say, "I am satisified; it is reasonably acceptable."

That is why Australia, for example, has a bill requiring all parliamentarians to own up. After they have confessed in private, the official in charge, called a jurisconsult or commissioner, tables in Parliament in the usual way the potential conflicts of interest that parliamentarians may have so that the public and the press can be aware of them.

I have never believed and never will believe that we shoul qualitatively describe any fortune parliamentarians might have or put figures on it that would unduly excite people who might make comparisons like "my MP is richer than another" or "my senator is richer than someone else". I do not think that is what the people want to know. People want to know about any apparent conflicts of interest.

What we are doing is distinguishing between the quantitative and qualitative aspects. It is unnecessary for the public to know the exact figures, but it is very important for the commissioner and the jurisconsult to know exactly what a member might have and what he or she might owe, because debts are always dangerous; they can lead to conflicts of interest.

In an ideal world, it would be better not to have such legislation, and I am very conservative on this subject. Unfortunate incidents have occurred, but in spite of everything, I still say how proud I am to be a parliamentarian. When people ask what I do, I do not hide that I am a member of Parliament. I do not have to apologize. I am not ashamed because some Canadians these days are annoyed with us. They have to take it out on somebody and they go after the most important institution, in my opinion, the parliamentary system. That is bad. Just because unemployment is too high or people are unhappy about inflation, the sales tax, some government policies or certain leaders, does not mean that they have to take it out on the system which governs us. It is still a good system. I often regret that people get it all confused and destroy the credibility of the parliamentary system.

I urge my colleagues, in a non–partisan way, to read yesterday's *Hansard* because I find that it summarizes our thinking very well. For members and other people who want to read it, it is Issue No. 229 of *Hansard* for Monday, March 29. I would like them to read the excellent presentation made by our committee chairman, the member for Mississauga South, and the statement of

my friend and colleague, the member for Glengarry—Prescott—Russell, who was very generous to me in mentioning my work on the committee. Of course the press does not know about it because we sit quietly without making a noise. As you know, making noise does not always do the most good. Those who shout the loudest are not necessarily right. I also suggest that they read the remarkable presentation of the hon. member for Oshawa. I think that those three speeches yesterday summarize very well the work that was done.

We have concerns, we hope and believe the time will come to consider in committee.

[*English*]

I hope the House will accept the recommendation of our able chairman, the member for Mississauga South, and create a special committee of both Houses, the Senate and the House of Commons. We worked together for a long time and produced a report. The report gave birth to Bill C-116. It has a long title. I am told it could be shorter by saying it is a bill that will try to avoid conflict of interest of ministers, parliamentary secretaries and hon. senators in one group and elected members of Parliament who are not in responsible positions in another.

• (1335)

I hope the government will still be open to polishing it up at the committee level. I see our chairman, the hon. member for Mississauga South and hon. Senator Stanbury, the co-chair. It is not always easy to work with the chairman but it is very exciting to be a member of any committee he chairs. He is a tough man but some of us are equally tough and can endure it. I wish to thank him for the good job he did. He sometimes tried to stampede us, but those who like to be stampeded are just stampeded and those who can resist do resist. I hope to qualify in the last category.

I would like to take two more minutes to make something clear in the minds of the press and the people. The press is the intermediary in our parliamentary system, the power of the people. You have to understand that my colleague and I do not want to put the members of Parliament above the law. It has nothing to do with that.

[*Translation*]

As the member for Oshawa said so well yesterday, and you should read what he said, members of Parliament must not be above the law for anything of a criminal nature. I would never support a bill that would treat us differently from the rest of the population in criminal matters. If any of us commits a crime, the law is there to come down as hard, not necessarily harder, but as hard as for any crime someone might commit.

This is a special situation here, because we are elected members of Parliament or senators. Some members, because of their position as a minister or parliamentary secretary, might hear some things or see some documents or be able to use confidential information that they obtained through their position here in Parliament. This bill is to ensure that these people do not profit unduly to enrich themselves or their family and friends. Naturally it is called the Conflict of Interests Act.

I am very serious when I say that I do not like to hear about all those wonderful laws in the United States, as my committee chairman knows. I get annoyed every time I hear about them. I say: "Please do not talk to me about a system that may not be the best example in the world to follow". If anyone has conflicts of interest it is our southern neighbours. I do not like comparisons about the Elections Act, campaign spending limits and especially the famous conflict of interests legislation. I have the feeling that they always have conflicts of interest, so I do not like the comparison. I want something that is essentially Canadian and draws on the best of other political systems in the world. Then I think we can honestly come back to the House and say that we have done our duty in an honest way and produced a bill that will be revised over the years.

I admit that what we will produce is better than what exists. I admit that what we will produce will not be as good as what our successors can do. But it is a start in the right direction and I hope that people will stop being cynical about politicians because, after all, we were all elected from various political parties by the people and the time is coming when you will again be able to choose your representatives. I would like this bill to be implemented and I hope that we do not give up this work.

[*English*]

I hope the chairman will be tough if he is chairman again and he should be chairman again. He should be tough to make sure this law becomes law before the end of this Parliament.

[*Translation*]

In conclusion, we have an excellent system in Quebec to deal with conflicts of interest.

• (1340)

Again, I say in all modesty that what we are proposing is a good imitation of what the provinces are doing. We are suggesting a jurisconsult, just as the Quebec National Assembly has, and a commissioner, like Mr. Evans in Ontario. I want to pay tribute to him and to Mr. Justice Mayrand as well. They are above suspicion. I think that is the key to success in applying this law. The first jurisconsult to be chosen, who will become an officer of the House of Commons, should be above suspicion and earn the immediate confidence of the public. That will be a good beginning.

In the parliamentary committee and in my first speech I suggested having someone with the reputation of Mr. Justice Mayrand or Malouf or former senior officials of the Department of Justice who, once they are appointed, will inspire the confidence that the public is asking or seeking from Parliament.

I hope that the commissioner who will be chosen—and I will have some suggestions to make about that—will be above suspicion. I hope that the system will be administered impartially, in the same way for all. I am not too fond of the dichotomy which seems to come out of this bill, but I really hope that when we review it we can make improvements and the government will agree to receive amendments.

[*English*]

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I too want to share in some of the thoughts expressed here earlier. Certainly I can relieve the anxiety of the hon. member for Saint-Denis, who is one of the more venerable members and certainly second to the dean of the House. I was interested in his comments.

I think part of my problem with this bill is that my colleague and I have been here a few years and came in under totally different regimes when there was certainly a different reflection of the public will on the thoughts of members. I will come to that later. The hon. member complimented the co-chair of the joint committee that produced a unanimous report earlier on Bill C-43. Then the government came up with this bill which is a blend of aspects of Bill C-43 dealing with public office holders and another part in Bill C-116, which we are now dealing with, which affects members of Parliament.

The hon. member for Saint-Denis was hoping the chairman and government would not move so quickly. I know the issue of conflict of interest has been around for a long time. The public feels there is a fundamental flaw in the whole system because somehow members and/or ministers have got in trouble, as they have historically since Confederation in this jurisdiction and other jurisdictions across the way. As members have said before me "you cannot legislate all the time to cover the sometimes innate sin and guilt of mankind" although churches preach about it often on Sundays across the nation. But that does not mean we do not need a conflict of interest law in terms of public office holders.

It has not been mentioned here today that the Parliament of Canada Act has a section which deals with members of Parliament who may not vote on matters where they are personally going to benefit. They have to declare their interest and/or abstain. This comes from the British mother of Parliament system. That seems to work over there and it works pretty darned well. There is a character and integrity involved that somehow we as a younger country have not quite inherited.

The member for Mississauga South showed very interesting parliamentary diligence when he had the House agree unanimously yesterday to a motion on Bill C-116, which just came on the floor of the House yesterday afternoon at 4.10 p.m. and the House adjourned at 5.28, that between 1 and 1.55 today all debate and matters are to be disposed of in terms of Bill C-116, which affects every member of Parliament and every senator. The Senate will have its time, of course, to debate it.

• (1345)

In effect, as I compute the matter in old-fashioned arithmetic and not the computer, that is one hour and

eighteen minutes yesterday and 55 minutes today for a total of just two hours and a few minutes on a bill that affects us all.

I agree with the member for Saint-Denis. I hope all members and/or the secretaries who may be tuned in to this television look at the debate yesterday on the generalities developed by the hon. member for Mississauga South and the spokespersons for the opposition, the member for Glengarry—Prescott—Russell and the spokesperson for the NDP, the member for Oshawa, who taunt the generalities.

I hope members will go further so when this matter gets to a committee, be it a joint or whatever, they look at a document I got out of the library prepared by Margaret Young of the Law and Government Division of the Research Branch of the Parliament of Canada. It is a legislative summary of this bill and she covers the generalities well. There are many good works done in the Research Branch of Parliament. I commend this 31-page document that reviews the general problems of this issue of balancing public duty with the privacy of the person when you are in the public domain.

I know the potential co-chair of the committee touched on the issues in a very general way in his comments yesterday, but this document deals with many specifics, some of which put a higher onus on the member than the office holder. The old C-43 was drafted onto the new 116, and there are some elements in there which I think all members would be concerned about. I certainly hope the committee knows that the member from Mississauga South shows interest in this and he has been at this for some time. He will look closely at this legislative review done by our impartial library and hopefully redress some problems there that I think even he may be unaware of at the present time.

I know the member for Mississauga South, under the rule, has a motion to help move this along. All members want this moved along, but quite frankly there can be a delusion in this conflict of interest bill. Fundamental good work is not developed in members if there is some cancer in their moral id that is going to permeate their public business. You can have all the rules and regulations you want.

I have been in this Chamber for over 25 years and you can pervert or prostitute any rule of procedure and/or almost any rule or regulation that is not in the criminal domain unless you have some character, integrity or common good sense. I have heard what the members have said here and I know the members spent a lot of time on this in the committee, but we are developing two parallel bureaucracies that the member for Saint-Denis touched upon, to try to define the ethics and morals that members are supposed to follow. We are doing this in reaction to the public and/or media negative element that has cast a cloud over members of this House.

I am not going to get political, but in my 25 plus years as a member of Parliament, I honestly do not know where I have run into a potential conflict of interest. I would like to know from the member for Nickel Belt, as a member of Parliament, what conflict he has run into in discharging his duty. The member for Mississauga South is a lawyer and has business interests. I still would venture that he has not run into potential conflicts but one is never to ask a question unless one knows the answer so I am only asking rhetorically at the present time.

• (1350)

The point is that the tone and the climate of the House of Commons and how members and the government discharge their duties is really set by the Prime Minister and/or the cabinet and there is a world of difference between a member of Parliament and a cabinet minister or a parliamentary secretary. Something that is not even covered in this bill is deputy ministers or heads of some of the important government agencies. These individuals along with deputy ministers and/or ministers and parliamentary secretaries do have information and do come across facts that could further their private interests.

I know this is perhaps not the politically correct thing and the member for Nickel Belt cast aspersions on this on another day when the Hon. Mitchell Sharp gave evidence before the committee. I was in this House of Commons when the Hon. Mitchell Sharp was not only the then Liberal government House leader but he was the Minister of Finance. To me he was one of the more—and he still is because he is still very much alive and with it—honourable ones in the days when I used to believe that the Liberal government was infallible. The days of infallible Grit rule were forever because they had not been beaten for 20 or 30 years.

When I first came here as a young pup there they all were, not C. D. Howe, but Mr. Pearson, Mr. Sharp, Mr. Winters and many others. They were all fine Canadians. I do not know what happened then but the element of conflict of interest did not seem to make all the headlines because the Prime Minister of the day and the cabinet of the day stayed out of trouble. Even then there is a world of difference between cabinet members and their responsibility and their potential power of advancing themselves with confidential information over the rest of this House.

I will read in effect what Mr. Sharp said among other things before the committee: "I was a senior civil servant for 16 years and privy to inside information from which I could have benefited if I had put my private interests ahead of my public responsibility. For another 13 years, I was a minister of the Crown. Again I was an insider making decisions and aware of decisions being made collectively by the cabinet from which I could have benefited if I had put my private interests ahead of my public responsibilities. For a couple of years after I left cabinet in 1976, and before I resigned my seat in 1978, I was generally regarded as an ordinary MP. I was no longer an insider. I did not have access to any information on future government decisions from which I could have profited that was not publicly available."

I will just conclude this part of what I want to say. What Mr. Sharp said before the committee with his vast experience both as a distinguished public servant, a very distinguished minister of the Crown and then in effect a backbencher before he got out of the whole business was that there was in effect a world of difference. What we know here we find out almost the same way as when he says one reads it in the paper or hears it over the news.

That is one of the philosophical problems I have with equating this even in the one bill. I know there are two regimes. Perhaps there should be two bills, one to look after ministers, parliamentary secretaries and public office holders, including deputy ministers and heads of government organizations, and then one for the members and senators who do not have the same access to information to in effect have the conflict.

The other element of the bill that I really seriously hope the committee takes a very close look at in the closing two minutes I have is the whole question of the spousal declaration of her or his interests. I know they have wrestled with this. I am still unsatisfied with the way this bill is. It just boggles the mind on this International Day of the Woman or International Year of the Woman and all this advancement quite properly of the woman to make that person equal in society in every which way, that we are going to put into a bill a part that says that in effect a member can do what he wants to do but if the member is a man then his wife must disclose whatever interests she may or may not have.

Mr. Speaker, as you well know, there is a reverse side to this that organizers getting ready for the next election might run into. We all know that there are a lot more women who should be in this House. You are going to have the interesting situation in effect of campaign organizers going to the woman of very eminent Canadians who may have business interests to ask them to run.

• (1355)

Some parties have quotas. They want 25 per cent or 50 per cent as women. They go to that lady and they say: "Mrs. Brown you have to run for us". She talks to her husband over supper that night and Mr. Brown says: "Well, Matilda, I would like you to be a member of Parliament but there is no way. You do not know what I do. You know I am a big business man. You have not seen my books. You do not know what my finances are. You do not know that I may be in a state of personal bankruptcy that I do not really want to tell my competitors about. I would rather that you would not run. I do not understand why as a member your declaration that you are not going to commit any crime or have a conflict of interest should affect me".

I seriously hope that the committee gets to this. I could give many chapters and verses of how this is a complete negative reaction to what we have tried to do here to make the genders equal. Here we are putting them right back in the Dark Ages with this type of regime.

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. I think you might find there is consent for the following motion:

> That, a special joint committee of the Senate and the House of Commons be appointed for the committee stage consideration of Bill C–116, an act to provide for greater certainty in the reconciliation of the personal interests and duties of office of public office holders to establish a Conflict of Interests Commission, to amend the Parliament of Canada Act and to make consequential amendments to other acts;

That the Order for resuming second reading of Bill C-116 be amended by having the bill referred to the Special Joint Committee rather than a Legislative Committee in the Departmental envelope;

That the said Special Joint Committee be composed of 14 members of the House of Commons, and 7 members of the Senate;

That the Standing Committee on House Management appoint the membership of this House of the Special Committee and present its report no later than five sitting days after the adoption of this order, which report shall be deemed concurred in upon presentation to the House of Commons;

That changes in membership of the said Special Committee be effective immediately after notification signed by the Member acting as the Chief Whip of any recognized party has been filed with the Clerk of the Committee;

That the said Committee have power to sit during sittings and adjournments of the House of Commons; to send for persons, papers and records and to examine witnesses; to print such papers and evidence from day to day as may be ordered by the Committee;

That a quorum of the Committee be a majority of members, whenever a vote, resolution, or other decision is taken, so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, some of its members to act on the proposed Special Joint Committee.

[*Translation*]

Mr. Rocheleau: Mr. Speaker, I just have a question for the hon. member. Will independent members be able to put questions to this committee? Will they be allowed a certain period of time or will that apply only to the Official Opposition and to government members?

[*English*]

Mr. Blenkarn: Mr. Speaker, there is no particular problem. I suspect that the committee suggested will be the same joint committee that sat on the original study of Bill C-43.

I would hope the hon. member will come to that committee and be part of that committee. There is certainly no limitation on members coming to a committee.

Indeed, I personally believe it would be helpful if the member from his group in this House, while not a recognized party, will come and be part of that committee meeting. I think it is important that we represent well in this committee the whole House and the Senate because we are all going to be affected by this resolution.

Mr. Angus: Mr. Speaker, I rise on a point of order. I want to remind the House that every member of this House has the right to sit in on any committee meeting and participate in that meeting after the normal order of questioning. The member is quite free to participate.

• (1400)

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being 1.55 p.m., pursuant to order made Monday, March 29, 1993, it is my duty to interrupt the proceedings now before the House and put forthwith, without further debate or amendment, every question necessary to dispose of the second reading stage of Bill C-116.

[*English*]

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a special committee.

Mr. Speaker: It being two o'clock p.m. we shall proceed to statements by members.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

WAR CRIMINALS

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, in 1986 the Deschenes commission recommended the Criminal Code be amended to allow for the prosecution of war criminals.

I sat on the committee for Bill C-71, which led to the establishment of the war crimes investigation unit, and I looked forward to justice finally being served.

I am sorry to report more than six years later that although 300 people are under active investigation not one person has yet been convicted for crimes committed.

Today a delegation from the Jewish Students' Network is meeting here in Ottawa to discuss the government's commitment to pursuing war criminals and bringing them to justice. We would do well to emulate the dedication of these young people in their determination to ensure Canada is not a safe haven for war criminals. The wheels of justice must move faster.

We owe those who died in the Holocaust and the families and friends who survived to pursue the perpetrators of these heinous crimes. We must not forget.

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LOBSTER INDUSTRY

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise on a matter of urgency. The lobster industry in southern Nova Scotia at the height of the season suffered the worst damage to gear since 1976 as a result of the storm of the century two weeks ago. As a result of the winter weather assessment of damage by the fishermen has been difficult.

I met with close to 50 fishermen in Yarmouth last Saturday. I have received 73 assessments of damages totalling $850,000 from Shelburne to Digby counties, and I am sure that there are many more.

The minister of fisheries has in the past provided assistance to fishermen: the weir fishermen in the Bay of Fundy, assistance for gearing up in the northern cod and lobster fishermen in P.E.I.

With more than two months to fish the lobster fishermen in southern Nova Scotia find themselves with reduced gear. These fishermen need help today. I call on the minister of fisheries to provide assistance so that they will not suffer more financial losses by not being able to go lobster fishing.

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DUGALD COSTUME MUSEUM

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, today I would like to commend the efforts of the Dugald Costume Museum, which is now celebrating its 10th anniversary.

The 10th anniversary is a little misleading in that this volunteer group actually started over 40 years ago. Its desire to preserve and display different types of clothing is unique and is also world leading in concept. The 15,000 volunteer hours annually demonstrate the depth and conviction of this community-based group.

I would like to invite all members of the House to visit the museum's 10th anniversary display, "Let's Dance". I know the time spent will be most enjoyable.

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PUBLIC WORKS

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, in 1870 the Americans prevented the Canadian ship *Chicora* from entering into Lake Superior through their lock system.

An 1871 article in the *Toronto Globe* stated: "It is quite plain—that the Dominion of Canada cannot allow the Americans to have exclusive control of the means of water communication between Lakes Huron and Superior".

• (1405)

Thus a $4 million Canadian Sault Canal was built in 1895. Owing to a structural failure the canal has been closed to navigation since 1987. Attempts at obtaining funds for its restoration have been difficult.

However I am optimistic that a $5.9 million commitment from the Ontario NDP government, a commitment from the city of Sault Ste. Marie to do landscaping and road work and continued expressions of support from the Minister of Public Works could lead to the restoration of the lock.

Public Works has selected a recreational lock costing $11.75 million as its first choice option.

I call upon the Minister of the Environment to respond positively to this most significant initiative in Sault Ste. Marie.

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VANCOUVER INTERNATIONAL AIRPORT

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, last Thursday I had the privilege of accompanying the Minister of Indian Affairs and the Minister of State for Transport to the launching ceremony of the $350,000 expansion of the Vancouver International Airport.

The Vancouver International Airport Authority, a not for profit corporation which took over operations from the federal government last year, has developed plans to build a new international terminal building and a new runway, both to be completed by 1996.

Full consideration is being given to the environmental impact of construction and special efforts will be made on the issues of noise reduction, habitat preservation and the maintaining of green spaces.

In addition, the federal government, through Transport Canada, will complement these new facilities by constructing a new control tower and an instrument landing system at a cost of just over $20 million.

It should be noted that the airport authority has devised a method of paying for the runway and terminal building improvements without depending on government grants, subsidies or guarantees.

Congratulations to Chester Johnson, chairman of the airport authority; David Emerson, president and chief executive officer of the authority; and all of the other people who have contributed to these plans to prepare Vancouver International Airport for the 21st century.

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[*Translation*]

FIGHT AGAINST RACISM

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, today I would like to congratulate members of Network Canada, an organization of Jewish young people who are here today to tell us about their fight against hate crimes and their concern about the growing number of groups that promote hate.

[*English*]

According to Klanwatch, an organization dedicated to monitoring racist groups, there are 46 known hate groups in our country. In fact their operations are so prevalent in Canada that Klanwatch dedicated an entire issue of its magazine to hate activities in our country.

Members of the network know that groups like White Aryan Resistance and the Klan are actively recruiting in our schools. We cannot sit back and do nothing.

It is about time that the new Minister of Justice and the Minister of Multiculturalism and Citizenship concentrate their efforts on finding an effective means of controlling hate groups and eliminating them from our society.

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[*Translation*]

BUDGET OF MEMBER FOR ABITIBI

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, on February 18, 1993 I asked the Speaker of the House of Commons to freeze my member's office budget. On February 22, 1993 I declared in Parliament that I had refused to accept the 3.16 per cent increase in my main budget for 1993-94.

Today, to my satisfaction, I received a reply from the House of Commons that should be welcomed by Canadian taxpayers. My budget has been frozen at its 1992-93 level. On behalf of my Abitibi constituents, I want to thank you, Mr. Speaker, for accepting my request, and I will maintain the same services.

In Bill C-113, the government decided to make cuts in a number of federal programs and freeze the salaries of certain groups.

Today, I urge my Conservative, Liberal, NDP and Bloc Québécois colleagues to follow suit and help reduce government spending and the federal deficit.

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[*English*]

MANOTICK LODGE 295

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, on March 27, 1993 I had the distinct honour of celebrating the 100th anniversary of Manotick Lodge 295 with members of the Independent Order of Odd Fellows.

It is with pleasure that I salute the present and past Grand Nobles, as well as their brothers and sisters of the Manotick Lodge, for their continued devotion in assisting their fellow persons in need.

The worthy causes they give aid to include the Osgoode Care Centre, the Canadian Guide Dog for the Blind, the Kars Fair Youth and the Arthritis Association, just to name a few.

I commend the Independent Order of Odd Fellows for giving its best efforts to the needy of the community. Odd Fellows of Manotick, thank you.

* * *

PUBLIC WORKS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, if there is still any question about how the people of Prince Edward Island feel about the fixed link there was a very clear answer in yesterday's provincial election.

• (1410)

Ninety-five per cent of voters voted for parties in favour of the fixed link. Five per cent voted for the one party against the project. That is 95 to 5 in favour of the project.

Obviously, there were many other issues involved in the vote, but if there existed strong opposition yesterday was the opportunity for people to register their concerns or even stop the project.

During our legislative committee deliberations witnesses indicated that support for the link was growing. Yesterday's election seems to support that position.

With this clear message I again urge the government to make a determination under the recent court decision and proceed with the project.

* * *

CONSERVATIVE LEADERSHIP

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, you will remember that two weeks ago I entered my horse Slip Chaser into the Tory leadership stakes to be run in June.

Last Friday at the London fairgrounds Slip Chaser held a press conference to declare that he has been eating grass since he was born three years ago and he enjoys it, but he cannot understand why anyone would smoke it. He questioned his opponent's judgment about something so basic and suggested that delegates ought to seriously consider a candidate who knows what grass is for.

As for the GST, Slip Chaser declared it to be discriminatory on the grounds that it exempts medical services to humans but not horses. He would therefore abolish it.

In response to a question from reporters about his chances of winning the Tory leadership race Slip Chaser replied: "Given the opportunity to vote for the whole horse, I am confident that Tory delegates will elect me Prime Minister, the first whole horse to occupy the position".

* * *

CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Mr. Ross Reid (St. John's East): Mr. Speaker, I would like to join today with people from across Canada in commemoration of the 75th anniversary of the Canadian National Institute for the Blind.

Since 1918 the CNIB has been providing services to the blind and the visually impaired to ensure that they can be meaningful and contributing members of our society. Disability should be no limitation and the CNIB has led the way.

This morning in St. John's, Newfoundland some 400 people came together to celebrate the 75th anniversary of the CNIB. I know that all members of the House would want to join with them.

* * *

YUGOSLAVIA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, while the UN gambles on the possibility of a negotiated settlement in the former Yugoslavia more than 120,000 people have been murdered and 20,000 women have been raped, some as young as four years old.

The confession of a Serbian soldier describes one of the 20,000 rapes. He said: "What I remember about the first woman I raped was that she was pretty. I only remember some of their names. Fatima was a nice woman. After raping her, I took her at gunpoint to the mountains. I stopped by a small bridge and I told her to get out. She walked about three metres away from the car and I just shot her. My commander told me it was good for morale to rape and kill Bosnian women".

This account is horrific. As a leader in the international community the Canadian government has a moral obligation to do more than just condemn these barbaric

acts, it must lead in forcing the United Nations to take all steps necessary to stop these atrocities.

Why does this Parliament justify its silence by pointing to sanctions which have been insufficient and a no-fly zone that goes unenforced? When women and children are being raped and murdered, why has Canada lost its courageous and leading voice on the international stage?

God and history will judge us all very harshly for inaction in this matter.

* * *

YUGOSLAVIA

Mr. Jim Edwards (Edmonton Southwest): Mr. Speaker, I would like to draw the attention of the House to the grave situation in war-torn former Yugoslavia.

For months now Bosnia-Hercegovina has been engaged in a bloody war, the details of which we are all unfortunately familiar with: the heinous ethnic cleansing, the rapes, the torture, the concentration camps, the famine and the wounded. The much vaunted sanctions seem to have no impact at all on the aggressor.

Canada has denounced the acts of violence and terror. We are providing peacekeeping troops and we are supplying emergency humanitarian relief.

Diplomatically, we have recognized the independence of Croatia, Slovenia and Bosnia-Hercegovina, and we believe that the people of the former republic of Macedonia have a legitimate claim to recognition.

At this time peace may be pending in Bosnia. The Muslim and Croat leaders have signed a UN-mediated peace plan, but the Bosnian Serb leader has not yet signed.

I suggest that the government's top priority should be to strengthen diplomatic relations with all peace-seeking parties and to further isolate the outstanding party in order to pressure the Bosnian Serb leader to sign.

Once peace has been achieved in the region then the Canadian government should establish diplomatic agencies in all recognized former republics.

S. O. 31

FOOD AND DRUG REGULATIONS

Mr. Jim Karpoff (Surrey North): Mr. Speaker, when members of Parliament read their mail they will be well aware that the health food community does not like what Health and Welfare Canada is doing.

• (1415)

Specifically, they do not like schedule 705 of the food and drug regulations which will arbitrarily remove 64 herbs and botanical foodstuffs from health food stores. They do not like the harmonization article of the Canada-U.S. Free Trade Agreement, article 708, restricting the availability of herbs they have used safely for many years.

They especially do not like restricting these foodstuffs to prescription use only as their availability and price will be taken over by the multinational drug companies.

Multinational drug companies have dictated that generic drugs be eliminated and now they are taking control of herbs and botanical foodstuffs.

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ISRAEL

Mr. Jim Peterson (Willowdale): Mr. Speaker, leaders of Canada's Jewish community gather in Ottawa today to welcome Israel's Minister of Foreign Affairs, Shimon Perez, and to strengthen the ties between Israel and Canada.

Israel, a dream for over 2,000 years, became a reality only 45 years ago in the aftermath of the holocaust. Its transformation from an arid desert to an advanced nation, in spite of wars, non-recognition by neighbouring states and continuing hostilities, is testimony to the ingenuity and commitment of the Israeli people.

Canada must continue as an enthusiastic partner in Israel's future by expanding our ties of trade and investment, fostering human rights and development and condemning the Arab boycott of Israel. We must not tolerate hate literature, neo-Naziism or any form of racism, and continue to pursue and bring Nazi war criminals to justice in Canada.

Above all else, a cornerstone of Canada's foreign policy must always be the security of Israel, the only democracy in the Middle East, and Canada's close ally and special friend.

ORAL QUESTION PERIOD

[*Translation*]

NATIONAL DEBT

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, last Sunday, the Minister of Finance again told the country there was one deficit and one taxpayer, thus continuing his alarmist comments about the size of provincial deficits.

[*English*]

The minister will know that the $5.8 billion he is planning to spend on helicopters is enough to clear the deficit of his home province of Alberta with enough money to spare to write off the combined deficits of Saskatchewan, Manitoba, Nova Scotia, New Brunswick, Newfoundland and P.E.I.

If there is one taxpayer and one debt, why is there still a big spender across the floor?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is somewhat misleading in her assertions.

She is suggesting some $5 billion—and I correct her, it is $4.4 billion—is going to be spent in one year. That is not true. It is $4.4 billion spread over 13 or 14 years of which there are significant and positive economic spin-offs, benefits and jobs for Canadians. Most important, it will allow our Canadian servicemen and women the kind of equipment they deserve to carry out their important duties and missions.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, the government would rather borrow money to buy its choppers than chop its borrowing.

[*Translation*]

I have a supplementary question. Bill C-91, the drug patent bill, will increase costs for provincial health plans, making it even harder for the provinces to cut costs as required by the minister.

Will the minister cover the additional costs arising from the drug patent extensions he is imposing on the provinces so that Canada can maintain the universality of its health care programs? Will he end the universal indifference of this government to Canadians?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, we have answered this kind of question many times before in this House.

The hon. member raises the issue of universality of health care programs. The government has never considered challenging the universality of medicare. On the contrary, I have stated many times that the government was standing by its commitments in this respect.

• (1420)

As usual the party opposite is trying to raise doubts in the minds of Canadians. However, I do not think the provinces or Canadians in general are concerned. This has no connection with Bill C-91, which was warmly received by Canada's research community, because it will finally give Canadians the ability to develop research skills, especially in the medical field, that will make it possible to keep Canadian researchers in this country. I believe that when you consider this aspect, Bill C-91 is well received by the country as a whole.

[*English*]

Ms. Guarnieri: Mr. Speaker, the minister must take his advice from Aunt Jemima because he sure loves to waffle.

Some hon. members: Oh, oh.

* * *

EMPLOYMENT

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Recently published Immigration Canada statistics reveal that in 1991 this government brought into Canada 56,000 immigrants who are listed as having no intention of working in this country. At the same time many highly educated and motivated young applicants are still being routinely rejected.

I ask the minister why he continues to claim that thousands of jobs are left unfilled for lack of skilled applicants when his policy is to import record high numbers of people who want no job at all.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, these are the very people who opposed the amendments we made to the Immigration Act in order to try to get into Canada the kind of people we need to help our economy. These people are talking about skills development yet they opposed Bill C-21, an act to amend the Unemployment Insurance Act, which has seen the activation of a massive amount of money to train people to get jobs.

I think we are on the right track. I take her question as an admission that they were wrong all along.

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HELICOPTER PROGRAM

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister.

This government is in the fifth year of what the Prime Minister has referred to on many occasions as a four-year mandate. Even before the tabling of the budget in the House of Commons the government says it has no money.

I want to ask the Deputy Prime Minister who is also the Minister of Finance why he is allowing his cabinet colleagues to hand out billions of dollars of contracts with the EH-101 helicopters, thereby committing future governments to these expenditures? Why is he doing that?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, talk about inconsistencies and contradictions. Every day members across the way get up in the House and ask us what we are going to do about jobs and the creation of new economic activity and employment.

Here is a classic example where we are not only going to improve our defence capability, but we are going to create jobs and economic spin-offs, skills in high tech and a world product mandate. Why is the hon. member arguing about that?

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I guess there will be lots of jobs for Tory lobbyists.

[*Translation*]

I have a supplementary question for the Minister of Finance. A number of leadership candidates in his own party want the EH-101 helicopter contract cancelled. I would like to ask the Minister of Finance whether today he is prepared to announce a moratorium on all new contracts for EH-101 helicopters, as requested by a number of his own colleagues.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I made my position abundantly clear in the House on Friday, yesterday, today, and I will make it again right now.

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AGRICULTURE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, several groups representing rural Saskatchewan are in Ottawa today. They have brought concerns and frustrations that are reflected by all rural Canadians.

Despite the fact that the federal government has spent $12 billion to $15 billion in agriculture in the past eight years, 1,500 farmers are leaving the farm in Saskatchewan alone every year. The average farm income is expected to fall to about $5,000, a level not seen since the 1930s. Whether it be cuts to the Canadian Wheat Board or unilateral cuts to the Crow benefit, this government's programs have failed. Rural Canadians should be upset, urban Canadians should be upset and taxpayers should be upset.

I ask the agriculture minister: is the government planning to change its course? What plan does it have to bring about a new approach to developing programs that will bring hope instead of misery to Canadian farm families and to rural communities?

• (1425)

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, I had a chance to attend not all but most of the submissions this morning. There is no question that there is a serious problem in Saskatchewan. I was impressed with the tone and some of the substance of the submissions. People were saying that they want to solve their problem within their fiscal means. There was a willingness to work together and to take a look at improving farm programs that we have. We have always taken that position as a federal government.

People were suggesting that they needed more education and more real training. I think over all there is a general recognition that no one group, whether it be

federal or provincial governments or the producers by themselves, can do it all by themselves. That is the tone and that is the approach we have taken in this government to try to address this problem. That is the approach that we will continue to take, to work with many of the groups that appeared this morning before the Standing Committee on Agriculture.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, one of the things that these groups all called for was co-operation. One of the things that groups from the western Canadian wheat growers to the National Farmers Union called upon was the need for a third line of defence payment. In fact this government once promised Canadian farmers that if a crisis developed in farming it would bring in a third line of defence payment to help farmers in crisis.

We need long-term programs to help farms and rural communities. We have to keep those farms and those rural communities around until such programs can be put in place.

I would like to ask the Minister of Agriculture if he plans to announce today whether he is planning to bring in a third line of defence payment for Canadian farmers now.

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, as I said, there is no question that there is a need. But we are not going to solve the problem, and I think it came out this morning in committee, simply by throwing money at it. Some of the witnesses made that almost as a direct observation.

I say again, we want to continue to work with people. I would suggest that he encourage the government of Saskatchewan, his province, to work with the federal government to see if we can develop better financial assistance for farmers, better over-all security programs for income.

I do not think it is useful in Saskatchewan simply to stand up as a provincial government and say that the GRIP program is flawed and withdraw from it without coming forward with some ideas on how we can make it better.

We are going to try very hard to work with the Government of Saskatchewan. In the meantime, we should take some hints from what was said this morning at committee and realize that we have to work together and that there is a limit to the amount of money with which we have to work.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, since the minister is having great difficulty coming to grips with the third line of defence payment program, I wonder if he would reconsider some of the policies the government has announced recently. Would he agree to defer the 10 per cent cut to transport payments to railways, which means the farmer has to pay over $2 a tonne extra this coming year? Would he increase the initial prices, which was one of the proposals that was put in front of the meeting this morning? Also, will he promise to continue with interest-free cash advances, something that his government cancelled two or three years ago?

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, as a farmer the hon. member should know better than to make the last statement. Cash advances are still in effect for farmers. They were put in late. To listen to that member you would think that in fact they were cancelled, when in fact he knows better than that. He knows they were not.

Mr. Althouse: They are not in legislation. One year at a time.

Mr. Mayer: He wants to yell from his seat, Mr. Speaker.

With regard to initial payments, we are always willing to look at increasing initial payments. We have done it twice already this year. We said from the beginning when we formed the government over eight years ago that that was an ongoing policy. We will continue to do that.

He also talked about other things. Just let me say again that if he wants to make representations to the federal government he should go to his own province. Witnesses this morning said that the changes that were made in the Saskatchewan GRIP cost Saskatchewan producers something like $200 million to $300 million. If he wants to make representations to the federal government he should do it through his own ilk in Saskatchewan and see if he can get some results there.

Mr. David Kilgour (Edmonton Southeast): The same question on the same subject to the same minister, Mr. Speaker.

Members of this House learned this morning about the severe plight of many prairie grain producers in my part of the country. His own department now projects net farm income in Saskatchewan for this year at less than $5,000 per farm—$5,000 per farm. It is the lowest since the *annus horribilus* of 1938.

Will the minister tell us today about the timing and amount of his third line of defence deficiency payment? Will he be making that announcement before seeding begins very shortly?

• (1430)

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, most of us who follow this issue do not need to go to a committee to find out there is difficulty in the Saskatchewan farm economy. Some of us have been there for a long time and know some of the difficulties.

With regard to what we intend to do, let me say again, there is a considerable amount of money on the table put there by both the federal and provincial governments and the producers. The tone and the substance that I heard this morning of some of the things that were suggested are dead on. We have to work together to solve the problem. We need more education and training and we need better long-term planning. Nobody was in favour of *ad hoc* programs. That is the approach we intend to pursue.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, if I am correct, the minister was not present for the brief given by the Saskatchewan Wheat Pool which is the largest farm organization in Saskatchewan and has been around the longest.

Is the minister assured that the tripartite stabilization program is compatible with the Dunkel income base proposals at the GATT? If not, will he indicate to the House today that he will implement an income base program this calendar year?

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, just to correct him on the nuance, the longest serving farm organization we heard this morning was the Saskatchewan Association of Rural Municipalities. It came into being when Saskatchewan was formed in 1905.

I say again that we intend to pursue the course we are presently pursuing. That is to work with farmers and organizations together to develop the best possible farm program to support farmers in this time of need.

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the minister.

The Saskatchewan Wheat Pool has estimated that the net farm income in that province will have a shortfall this year of $1 billion. That slashes in two the net farm income of 1992 which spawned the rally of 13,000 farmers in Saskatoon in January.

The minister is talking about co-operation. What the farmers need is cash. Is the minister going to bring forth an emergency assistance program before spring seeding this year?

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, I say again that we intend to do what we have been doing. That is to work with the amount of money that is presently on the table, that is contributed by both levels of government and by the producers, to see if we can design a program that will be of maximum assistance to producers. That is exactly what we intend to do.

Mr. Maurice Foster (Algoma): Mr. Speaker, the major farm organizations from Saskatchewan that made presentations today outlined the deficiency of the Gross Revenue Insurance Program, the government's major stabilization program. They outlined how net farm income is going to drop from over $650 million to some $238 million this year. They outlined clearly that this program is deficient.

Is the minister prepared to make major changes to this program so that these people can stay on their land and so that they can survive at this time when major trade wars are causing this tremendous slump in net farm income? Is he prepared to bring in changes to that program so that it will be adequate?

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, we have said all along that we are prepared to consider any kind of changes. I do not know what he means by major changes. We would have to make a judgment on that, but certainly we are prepared to make changes and some pretty significant ones if everybody could agree on the changes and everybody could agree that they were going to be in the best interests of the people we are trying to serve.

If the hon. member has some specific ideas, we would be more than happy to hear from him. It is very easy for people to stand up and say that they find the GRIP program flawed and it has major deficiencies in it, but I have yet to have somebody come forward and tell me how they could improve it working with the same amount of money that we presently put into the GRIP program.

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TRADE

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question is for the Minister for International Trade.

This government has never fulfilled its promise to bring forward legislation that would ban large-scale Canadian water exports. Protection of Canadian water is a major concern to Canadians, particularly in my province of B.C.

Will the minister give an unequivocal answer today? Is this government prepared to introduce legislation that will prohibit outright large-scale freshwater exports and strictly regulate small-scale water sales such as those by tanker?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I thought we had dealt with that question through her colleague, the member for Kamloops. He asked the question on a number of occasions. I gave him some very clear answers which basically said that the large scale exports of water are not covered under the NAFTA. They are simply not covered under the NAFTA and that is made absolutely clear by the legislation that is before the House now.

• (1435)

My hon. friend is suggesting that we should go and negotiate something that no one else wants to negotiate. If that is what my hon. friend wants to do then I would say to her that she is trying to give away something that needs not to be given away.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the minister's confusion on this issue is distressing to all of us.

It is a fact that water is a tradable commodity under the free trade agreement with the U.S. and in the proposed deal with Mexico. His government refused to introduce domestic legislation to prevent water exports, yet the Conservatives have signed two trade agreements that will allow large scale water exports.

Will the minister finally come clean with Canadians and admit it is Tory policy to export Canadian water to the U.S.?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker let me quote if I might from the free trade agreement: "For greater certainty nothing in this act or the agreement except article 302 of the agreement applies to water. In this section water means natural surface and ground water in liquid, gaseous, or solid state, but does not include water packaged as a beverage or in tanks".

In other words, the only water that is covered in the free trade agreement is water that is in a bottle, water that is in a glass, water that is in a truck and water that people want to drink on the other side of the border that is not going in any other way except in a container like a bottle, a glass or a truck.

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FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for my friend the minister of fisheries. It has to do with his proposed fisheries reforms. His plan to create one board for the Atlantic fishery pits one province against the other, pits one sector against the other. What is even worse, the board is going to be accountable to absolutely no one.

I want to know what the minister is up to. Is he simply trying to insulate himself from criticism for fishery decisions? Why the mad rush to wash his hands of responsibility for the fishing industry?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, it certainly has taken some time for the hon. gentleman to catch on to what is up because this started with a discussion paper issued in November 1991. We are obviously not trying to railroad anything through either the House or the governmental system.

What is proposed is a board to undertake some of the responsibilities of the minister of fisheries of Canada

with respect to issuing licences to allocations and as an enforcement agency so that we can better enforce the rules in the fishery. Rather than proceeding through the courts, enforcement will be done with respect to conditions that are violated by fishermen if they violate such conditions including conservation decisions.

The policy will still be made by the minister of fisheries and the department, but the board will undertake certain activities which up to now have been done by the minister who has complete and arbitrary power over these matters and who no longer wants it. He wants to be accountable and open to the public.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the minister knows full well despite what he just asserted that this board is not going to be accountable and open to the public. It is going to be accountable and open to no one.

The first thing this board needs if it is going to be useful is some kind of a process for redress. It would also need to be structured along provincial lines where the various fisheries are very different from one province to the other.

On this one would the minister swallow his pride of authorship, go back to the drawing-board, back off this demented twisted scheme and come up with an arrangement that better reflects the concerns of each of the Atlantic provinces and Quebec and the concerns of the fishing industry itself?

• (1440)

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, there have been extensive consultations with provincial governments, all of whom support this with the exception of one, the Government of Newfoundland, the Edgar Bergen for whom Charlie McCarthy is now speaking. That is the only government opposing this on entirely fallacious grounds. Otherwise the industry generally is supportive of this. We have had a dialogue with them.

I just met with the industry of the Atlantic coast an hour ago. I met with the B.C. industry last week. Believe me, they all think this is a step forward, with the exception of Uncle Charlie Wells down in St. John's who is opposed to it. He wants something he calls joint management which has nothing to do with this topic at all, but which he hopes to use as an election ploy.

I am sure the hon. gentleman would not encourage him in that.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is also for the minister of fisheries.

This past weekend I met with the chairmen of 14 fisheries committees on the Baie Verte peninsula. The chairmen of those fisheries committees on the Baie Verte peninsula unanimously asked me to convey to the minister of fisheries that they reject this proposal for a management board. They are not interested in elections and they are not interested in ploys.

In no other resource sector, be it forestry, be it mining, be it agriculture, does the minister responsible turn over his responsibilities to a board that is not accountable to anybody.

I want to ask this minister whether he believes that the capacity of fishermen affected by the northern cod moratorium to get justice this past year would have been fully utilized had there been a board rather than a minister who was answerable to fishermen to put in place a proper compensation program.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, if the hon. gentleman received these suggestions from the fishermen that he says he received, then obviously they did not understand and he did not enlighten them as to what the true purpose of this board is.

This board is simply to undertake questions of licensing for example. Should the minister of fisheries be deciding on his own whether John Brown or John Smith should get a licence and not have to give any reasons for that? It would be much better to have a quasi-judicial board which will be able to see to these processes. After having hearings it will give its decisions in writing where everything will be on the public record, rather than some hoary old minister of fisheries, h-o-a-r-y by the way, making these decisions.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the minister of fisheries may think this is a laughing matter, but we are talking about a resource that is absolutely crucial to the economy of the province, in this case Newfoundland and Labrador, and the other Atlantic provinces as well.

The proposed new licensing policy of this minister would have the effect of eliminating from the fishery the fishermen who participated on the basis of a family partnership and have been in the industry for 25 or 30 years because of technical details. As it now stands those fishermen can appeal their being caught up in that web of bureaucratic red tape but under a new board they would be lost.

Does the minister recognize that fishermen, just like people in the agricultural industry, people in the forestry industry, people in the mining industry want to retain the ability to appeal directly to their elected representatives and to their government and not to some unaccountable board about their very livelihood?

Will the minister put aside this foolish and cowardly idea?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. gentleman is confusing two matters. With respect to licensing there are going to be major changes made for the future. In the groundfish fishery we will license professional full-time fishermen who have a permanent attachment to the fishery. We can no longer afford the luxury of allowing anyone to go throw their nets in the water and fish. They will have to be certified and professional.

At the present time to whom do they appeal if they are turned down in a licensing application? To the minister. Does he have to give any reasons for his decision? No, he does not. To whom will they appeal in the future? To a quasi-judicial independent board which will have to give written reasons for its decision. I suggest they will be much better off out of the political circus and before quasi-judicial process than they are today.

• (1445)

Might I just say that we had Charlie McCarthy in the House and now we have Mortimer Snerd on the other side.

* * *

TRADE

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is directed to the Minister for International Trade.

While Investment Canada has been made a virtual toothless tiger in protecting Canadian high technology industry, the Americans have protected theirs well.

I want to ask the Minister for International Trade whether he would confirm that under provisions of the United States' trade law which are not subject to NAFTA or the FTA or to any challenge or any dispute settlement processes, the United States can block virtually any Canadian investment in the U.S. high technology industry by invoking even the slightest relationship to national security?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think my hon. friend is grossly exaggerating the point in the question he has just asked.

There is a provision under U.S. law which is used very sparingly that relates to acquisitions which could be characterized as affecting national security. My understanding is that it has been used in a handful of situations.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I guess the Minister for International Trade has never heard of Sematech which is the United States' semiconductor consortium that controls 35 per cent of the international market. It is supported by the Pentagon and therefore excludes Canadian investment.

Maybe he has heard of the American high resolution television industry also supported by the Pentagon from which Canadian participation is excluded.

An hon. member: TV.

Mr. McCurdy: Television. Is it not clear to the minister that what we have is a very asymmetric deal? Canadian high technology can be bought left and right. The Americans just invoke national security which is everything and we are out of the game.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend has used two examples. I think that counts as something like less than a handful.

If my hon. friend looks at the balance in the free trade agreement he will see there is a considerable degree of protection for large Canadian companies with assets over $150 million that the United States does not have.

We have that element of protection through Investment Canada. The United States does not have that.

* * *

SMALL BUSINESS

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, my question is for the Minister of Finance.

One way my community and other communities are trying to stimulate economic activity is by helping local people start their own businesses through entrepreneurship programs and training programs. However when these individuals go to banks and traditional institutions they are told that they do not fit within the traditional lending formula. The Small Businesses Loans Act will help, as will other measures.

I would ask the minister if he will consider this difficulty in his upcoming budget and take some steps to help communities such as mine establish community equity funds or venture capital funds which can be used to help finance existing businesses or new businesses that are innovative and can help our local economy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I thank the hon. member for his question. I particularly thank him for making reference to the changes that have been introduced to the Small Businesses Loans Act for which I thank all hon. members. I think everyone will agree that it is a vast improvement.

In so far as his question about community venture capital funds is concerned, I will take that as a representation. I should remind him that we have made changes to the way we treat RRSPs and also the activities related to the labour sponsored venture capital corporations which I believe has gone a long way in helping the important small business sector in providing capital for investment.

I appreciate the hon. member's interest and I assure him I will take his representation seriously.

* * *

• (1450)

TAXATION

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is directed to the Minister of Finance. As the minister knows labour unions in this country collect tax subsidized dues and earn tax-free income on their investments.

In 1990 Canadian and international unions collected $796 million in tax deductible dues. The cost in lost tax revenues to the federal and provincial governments could exceed $300 million a year. These same unions enjoyed $52 million in revenue on their invested assets all tax free.

Does the minister agree that the unions' tax status should be reviewed so that the tax system will be fairer and more equitable for all Canadians? Surely this tax loophole should be closed.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, union dues are deductible for much the same reasons as other professional membership fees.

The tax exempt status of unions is treated in much the same way as Canadian non-profit organizations. I appreciate however the hon. member bringing this to my attention.

I have noted the article in the newspaper outlining the very point which the hon. member raises in the House today. I will certainly examine it and get back to the hon. member.

* * *

INDIAN AFFAIRS

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, yesterday in the House I tried to ask a question of the minister of health. He was away and I would like to try again today.

The suicide rate in the Nishnawbe-Aski Nation territory continues to be alarming to the rest of us. In the last year alone there have been over a dozen suicides in the Nishnawbe-Aski Nation.

From the beginning of this year until now there have already been seven suicides in the Nishnawbe-Aski Nation. The minister has received a proposal from the Nishnawbe-Aski Nation to put in place an inquiry into the suicide crisis in northern Ontario.

I would like to ask the minister who is in the House today whether he could tell us if he is prepared at this time to look at this kind of inquiry into this very desperate situation in northern Ontario?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I believe that all members of the House share the member's concern about the Nishnawbe-Aski Nation's problem of suicide.

The proposal made by Chief Morris, who I met with last week, talks about an inquiry with a format that would include disclosures by young people and would provide a safety net for these young people to assist them to cope with the potential effects of public disclosures.

It is a very delicate operation. We understand that when we ask young people to expose the problems they face, such as sexual abuse or that kind of issue, it can make it very difficult for them.

This morning I had a long discussion with the officials of the department. I decided that with the collaboration of the Government of Ontario and the nation itself I would be ready to move ahead with an inquiry if I had the guarantees that a few conditions are respected, that the young people involved will be assisted and it will be done in light of the consequences they face.

If it is fact that once again it will be the Government of Ontario and the nation itself I would be ready to say yes to the proposal.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I thank the minister for his answer.

I would like to ask a very important question which relates to the inquiry and the effect it may have on the present crisis that we face.

It is well known that an inquiry could take up to 18 months. During this process it is incumbent upon the House and the department of health to understand that there are programs available now that we can put in place, if the resources are available, so that the crisis we are dealing with will not be delayed for 18 months as the inquiry is going on.

Would the minister be prepared to continue to fund and look at individual proposals from communities for crisis intervention programs so that we can continue with the work that we started last week at the suicide prevention workshop in order that the situation we are dealing with, the crisis of the suicides, will not go unresolved until the inquiry is over?

• (1455)

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, obviously the work being done will continue to be done.

I would like to correct something that Chief Morris said last week. He said that we have not done anything to alleviate the problems in the communities. For 1992-93, we have provided $1,400,000 to help the communities to deal with the problems and we will continue to do that.

As I said to Chief Morris last week, he should recognize the work done by the Government of Canada to help the community to deal with the suicide problem.

* * *

WESTRAY COAL MINE

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the government House leader.

Yesterday the minister stated that the reason for not releasing 25 pages of censored documents was because of the Privacy Act. We now know that that is not true.

Second, the minister said that the Government of Canada was co-operating 100 per cent with the commission of inquiry in Nova Scotia.

Earlier today the chief legal counsel of the Westray mine public inquiry said: "The federal government has not released all of its Westray mine documents to the inquiry".

Why has the government House leader and other members of the federal cabinet continually told members of the House that all of the documentation and co-operation was forthcoming from the Government of Canada to the commission of inquiry in Nova Scotia when in fact it was not?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, let me first deal with the hon. member's comment about the 25 pages.

How can we believe there are 25 pages missing when in fact yesterday the hon. member for Humber—St. Barbe—Baie Verte said that seven pages were missing from the CANMET report. That is quite untrue. All pages of the CANMET report were tabled with the commission on June 13, 1992. The whole report was tabled. How can we believe the hon. member when he

says that there are 25 pages missing when he was wrong on this particular matter.

Concerning the commission, the federal government has co-operated fully with it. We have tabled over 7,000 pages with regard to this matter. We are going to continue to co-operate further. When the commission meets again we will be tabling further documents with it.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary is for the government House leader.

The chief legal counsel of the Westray mine public inquiry goes on to state: "Specifically the inquiry does not have a copy of the memo to Energy, Mines and Resources' Minister, Jake Epp, entitled Federal Funding of the Westray Coal mine. The inquiry does have an incomplete copy of the CANMET report which was obtained from a source other than the federal government".

If that is not clear, unequivocal evidence of a cover-up, I do not know what is. I want to ask the government House leader or the minister responsible why they have misled the House by not giving us all of the information?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member is talking about misleading the House.

He must listen to me very carefully. He is misleading the House if he says that the CANMET report, the nine-page CANMET report, was not released last June. It was, all nine pages of it were. For him to allege otherwise is to mislead the House.

* * *

TAXATION

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a question for the Minister of National Revenue.

The minister of health has been quoted extensively as saying that he favours the reimposition of the export tax on cigarettes to prevent the rapidly increasing smuggling of Canadian cigarettes back into Canada.

Will the minister respond yes to such a request, given that the first export tax of $8 a carton resulted in cigarette exports and therefore smuggling dropping 80 per cent in the month of March last year?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I just want to put before the House that what I said about the export tax on tobacco was that it was one of the possible options.

• (1500)

I did not say that I was for or against it. I said it was an option and it should be treated accordingly.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the Minister of National Revenue knows that the tobacco companies are not helping in the fight against the smuggling of cigarettes.

Will the minister confirm that contraband cigarettes seized in Canada cannot be traced because all the tobacco companies are now shipping all cigarettes to one warehouse in Syracuse, New York to hide the real destination?

Why are tobacco companies allowed to give tacit support to illegal smuggling?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I do not totally agree with the premise to the hon. member's question.

It is true that the distribution system in the United States has been altered in recent months. As a result of that, the government as a whole is looking at various options to deal with the serious matter of tobacco smuggling into Canada. One of these is to call the cigarette tobacco manufacturers to the table once again to consider various issues and sundry matters.

In so far as the export tax is concerned, we have always kept that on the books as a condition of replacing it should the co-operation by the tobacco manufacturers not be there.

* * *

EXTERNAL AFFAIRS

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, my question is for the Solicitor General.

It has become public that a number of government employees in the Department of External Affairs submitted false travel claims. It is estimated that the

difference between the real and the submitted claims is in excess of $300,000.

Most recently it was reported that there will be no criminal charges laid in these cases of fraud. I would like to ask the minister why, with these very serious allegations against some public servants, charges are not being laid.

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I agree with my hon. friend that these are very serious allegations.

The government is obviously concerned when there is any allegation that taxpayers' dollars are being misspent. The RCMP completed a full investigation of the matter.

I am advised that the RCMP recommended that charges be laid. However, the Department of the Attorney General of Ontario has carriage of this matter and it has decided it would not be in the public interest to pursue charges.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of members of the Committee on Justice and Human Rights of the House of Representatives of the Kingdom of Thailand led by Mr. Prasob Butsarakam, first vice-chairman of the committee.

Some hon. members: Hear, hear.

* * *

PRIVILEGE

CANMET REPORT

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I rise on a question of privilege.

The minister of tourism and small business during Question Period suggested to the House that I had misled the House during my comments. I hope when provided with all of the information the minister for small business will withdraw that allegation because it is false.

Yesterday I stated in the House and I read from *Hansard* that the reference to the CANMET report which I said was made public by the government last June and which we understood at the time was a complete document is missing seven additional pages as we now see under the Access to Information request.

In fact, with the request made under the Access to Information legislation we were provided with the nine-page report as is referenced by the minister.

We were also provided with a 10th page. The 10th page provided by the Access to Information commissioner states clearly that an additional seven pages of the CANMET report are excluded.

• (1505)

It says that all pages are excluded. It says that only item three of attachment is relevant to the request. The remainder is not relevant, excluded under 69(1)(g) and (a), pages 28, 29, 30, 31, 32, 33, and 34. That is the statement I made yesterday in Question Period and this may be helpful to all members of the House.

Mr. John Merrick, QC, counsel to the commission of inquiry in Nova Scotia, has just completed a press conference in which he said—

Mr. Speaker: The difficulty the Chair has is that this is sounding very much like a question of different views of things. It is a matter of debate. I am having some difficulty in finding the question of privilege. If the complaint that the hon. member has is that somebody said that because of something a member said he was misleading the House, I have always had to draw the line between whether that was intentional or otherwise.

I notice the hon. member has not gone so far as to say the minister was saying he was intentionally misleading.

Mr. Tobin: He did say that.

An hon. member: Check the "blues".

Mr. Speaker: I may have to. If the hon. member is advising the Chair that his allegation is that the minister claimed that he, the hon. member for Humber—St. Barbe—Baie Verte, intentionally misled this House then I will listen further.

Mr. Tobin: Yes, Mr. Speaker. I think the "blues" will show in the context of the discussion back and forth that it is precisely what the minister said. I hope that with the additional information he will withdraw.

I will conclude because the matter is self-evident to anybody who looks at it reasonably. The legal counsel of the commission of inquiry, not the opposition, not a journalist, not a pundit, but the legal counsel of a judicial commission of inquiry has found it necessary today to call a press conference to respond to answers given yesterday by the minister responding on behalf of the government.

The legal counsel said today with respect specifically to the CANMET report, which is the report in question, that the inquiry does have an incomplete copy of the CANMET report that was obtained from a source other than the federal government. Regrettably the inquiry recently concluded that it had no option but to consider formal proceedings to resolve this matter of incomplete reports.

I am merely reporting the facts to the minister. If he has been misinformed by his staff I will accept that. However, I ask the minister, as an hon. gentleman, to withdraw the allegation that I have misled this House, deliberately or otherwise.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I welcome the opportunity to respond to this question of privilege.

First of all, earlier in Question Period I said very carefully, because I wanted to make sure the House was not being misled, that if the member was saying we did not table the whole CANMET report then he was misleading the House. My understanding is that the whole CANMET report is nine pages. I can table the nine pages right here, Mr. Speaker, if you like.

Now he is saying something that surprises me. He is saying there are pages beyond the nine pages. I am not led to believe that there are any more than nine pages to the CANMET report. I would like to know the title of the tenth page that he is reading because it may be another document attached to the CANMET report.

Mr. Speaker: The issue here is clear enough and the hon. member for Humber—St. Barbe—Baie Verte has made it clear to me. I will check the "blues", and if the minister has said or imputed that the hon. member intentionally misled the House then I shall have to deal with it. I am going to check the "blues" very carefully.

There is another debate here which may very well be factual, or at least a disagreement on the facts. That is debate and I am not being asked to rule on what the facts are. I will take the hon. member's representation, along with the representation of the hon. minister, and consider it and return appropriately. Is the hon. minister seeking the floor further?

Mr. Hockin: Mr. Speaker, my hon. friend and I do not usually disagree on things even though we are on different sides of the House on all sorts of matters. I would also like to take into consideration the fact that he accused me of misleading the House.

• (1510)

In fact I stood up in full knowledge that the CANMET report is made up of nine pages, and I said so. I am not trying to mislead the House when I say that.

Mr. Tobin: Point of order.

Mr. Speaker: Is it on the same point or another point?

Mr. Tobin: Point of order.

Mr. Speaker: This is not a point of order of course.

Mr. Tobin: Mr. Speaker, I will make your job easier. I did not accuse the minister of misleading the House anywhere in my comments. If the minister thinks I did then I have no hesitation in saying that I have not accused the minister of that and shall not accuse the minister of that. What I have accused the minister of is being ill briefed or misinformed. I am saying now that he has all the facts an honourable member would do as I am doing now and quickly jump to his feet to withdraw any allegation that a member opposite is acting in a dishonourable fashion.

Mr. Andre: You said misleading.

Mr. Speaker: I think hon. members on both sides will understand that this is now for the Chair to settle.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-119, an act for granting to Her Majesty certain sums of money for the Public Service of Canada for the financial year ending March 31, 1993; Bill C-120, an act for granting Her Majesty certains sums of money for the Public Service of Canada for the financial year

ending March 31, 1994; and Bill C–104, an act respecting an agreement regarding treaty land entitlement in Saskatchewan entered into on September 22, 1992 among Her Majesty the Queen in right of Canada and Her Majesty the Queen in right of Saskatchewan.

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[*English*]

THE ROYAL ASSENT

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that a communication has been received as follows:

March 30, 1993

Mr. Speaker,

I have the honour to inform you that the Honourable John Major, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 30th day of March, 1993, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Judith A. LaRocque,
Secretary to the Governor General

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WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of a Ways and Means motion to amend the Excise Tax Act and the Income Tax Act, and I ask that an Order of the Day be designated for consideration of the motion.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of Bill C–92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related acts; and Motion No. 3.

The Acting Speaker (Mr. DeBlois): The hon. member for Mississauga South has six minutes remaining.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I was saying prior to the break at lunch time that this particular statute change is one which will remove the right to all of the $100,000 exemption with respect to speculative real estate or with respect to non–producing real estate.

• (1515)

This is a budgetary measure. The effect of the $100,000 allowance applied to real estate that is a static investment reduces the revenue of the government very considerably. Over a five–year period the result of the tax change will increase the revenues of the government by $980 million a year, and will probably slightly increase every year from then on.

It is difficult to determine how much it is really going to work out to because it is a tax on the increase in sale value of real estate. If real estate prices do not advance then perhaps it will not be as much. If real estate prices advance more then the gain may be even more.

The concept here is to take away a break in the tax system that was designed to encourage effective job producing investment and make sure that investment break is only toward effective job producing investment. In other words, at the present time this benefit can be used for any piece of real estate a person might hold, and dead real estate, even if it is rental real estate, is not an effective job producing investment.

In terms of rental real estate, the Income Tax Act is still very favourable. Rental real estate is able to take a capital cost allowance and deduct that against rents received. The same applies with respect to the deduction of mortgage interest applicable to the investment so that there is a profit in holding rental real estate. The fact is that rental real estate is not a job producing investment and therefore it is felt by the government that in future that type of investment should not receive the $100,000 advantage.

The proposal by the government being contested in this suggested amendment by the member for Sudbury is that this restriction on the use of the $100,000 be eliminated. This is an important restriction. It is a very

necessary restriction in terms of income to the government from the tax system and it is inappropriate for the House at this point, certainly in view of the fiscal status of the country, to expect that this benefit continue.

Those who presently have static real estate can continue to claim the $100,000 deduction against their existing real estate holdings but they can only claim it as a proportion of the period of time they have held the investment. For example, if they have held a piece of static real estate from 1972 forward, this year being 1993, they would be able to have a 21 fraction of the $100,000 tax-free gain.

As years go by the percentage of tax-free gain goes down, but nonetheless they will still be able to have a very substantial tax-free advantage applicable to the gain on non-producing property.

With respect to producing real estate, which is real estate property held as part of a business, if one owns a store and is running a hardware store from it then that is real estate that is part of the business. That can be sold as part of the business and the $100,000 applies. In the case of a small business the $500,000 allowance would apply on its shares. We are not affecting businesses as businesses. We are affecting static real estate investment.

• (1520)

I am indeed surprised that members opposite would want to make sure that benefit is still in the Income Tax Act. I think on reflection they may agree with the government that the $100,000 allowance is not proper in this particular case and ought not to be allowed and that the government's change in the statute ought to proceed as the bill indicates.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I just want to pick up on the comments of the member for Mississauga South. He put forward the notion that we should do an analysis of this in terms of it being an effective job producing investment. I like that idea of analysis. I wish the government would be consistent with that notion in all the tax expenditures it has allowed to go into the act over the nine years it has been in power.

It is my contention that one of the reasons the tax act is so inefficient and unfair is because we have built up a number of tax expenditures within the act where we have had no analysis as to whether or not they are meeting the job objectives they were originally put in the act for.

When we talk about singling out this particular amendment, the disallowance of the capital gains exemption on capital gains accrued after February 1992 on real estate held for investment purposes, I think the government is not being totally fair when it says there may not be a job creation effectiveness within that particular exercise.

I know in my own riding many people invest in a second home. They are constantly hiring people to do renovations and upgrades. It is almost an industry in itself. I think when the government disallows that exercise it is hurting a lot of small people. We call it the panel truck trade. The carpenters, electricians, plumbers, gardeners and all of the people who are in the renovation business in my city of Toronto are being hurt by this particular amendment to the tax act. It has effectively shut down the incentive for people to get involved with that second home, that second piece of property.

The member for Mississauga South comes from the same community, although he is from Mississauga where there are a lot of large, brand new homes and there probably would not be as much renovation. However, in the downtown areas where there are constant renovations and renewals there is a whole new industry developing where people are working in a craftsman-like way, renewing and renovating these homes. A lot of that industry comes from individuals who take on a second property as an investment.

• (1525)

I do not think the government has in fact really done an analysis as to whether or not this is effectively producing jobs. I think if it did a proper analysis it would find out that there are a lot of jobs being created. In fact this disallowance is another measure whereby the government is once again shutting down the entrepreneurial spirit of Canadians. It is shutting down the opportunities for a lot of crafts people who like to work on small projects of renovation.

It is a funny thing with this government. It has managed to put forward the image that it is a great fiscal manager with its lean, mean machine approach to our deficit and our debt. However, since this government has been in power, is it known that between unemployment insurance and welfare disbursements we have spent close to $170 billion? This government has spent an

amount almost equal to half of the national debt in disbursements to people who have not been doing productive things.

This is where the Liberal Party is totally different from the Conservative Party. When we go through a global recession just like the one we have been through and the one in 1981–82, we made sure we had programs because we believed that it was more important to take people off welfare and the unemployment insurance rolls and put them back to work. At the end of the recessionary period, yes, we would have a debt and a liability, but we would have something to show for it at least. We would have roads. We would have bridges. We would have upgraded airport facilities. An illusion that this government has managed to perpetrate upon Canadians is that it is a much better fiscal manager.

We have to get the message out that in fact this government has spent close $170 billion, almost half of the national debt, on unemployment insurance and welfare payments where there is absolutely no concern for the dignity of people.

I know that 99 per cent of Canadians would much rather have the dignity of a job and be working on some special project that was in the national interest.

My leader has been putting forward this notion of infrastructure projects and the NEED program that the member from Winnipeg operated in 1980, 1981 and 1982 when we had a recession. In 90 days during that period we put close to 200,000 people back to work. We used the engine of small business to hire people in a way that supplemented the small businessman with money that would have otherwise gone to unemployment insurance or welfare.

This particular motion is another example of where the bean counters over there in finance have said: "Oh, if we disallow this exemption in the interest of fiscal responsibility, then we are much further ahead". The fact of the matter is that in my city of Toronto, and I am sure it is the same as in other major cities across the country, when people buy that second piece of property or invest in that other piece of property, they hire what I call the panel truck tradesmen. They employ people to renovate, whether it is carpenters, bricklayers or interior work that has to be done on homes.

I know of at least a half dozen people in my own riding whose spirits will be dampened once this particular amendment comes into place from the government. Their incentive to buy a second property or upgrade a second property which ultimately leads to more employment in the community will be held back. Once again the government under this illusion of fiscal responsibility has put more people out of work.

• (1530)

[*Translation*]

Ms. Roy-Arcelin: I rise on a question of privilege, Mr. Speaker, simply to tell the House that the member for Québec-Est is 50 years old today.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. DeBlois): That is not a question of privilege, but I gladly join the hon. member in congratulating the hon. parliamentary secretary and offering him my best wishes.

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, those who thought I was much older than 50 are amazed when they hear such kind words.

[*English*]

The lifetime capital gains exemption was introduced in order to encourage investment, risk taking and broader individual participation in equity markets. These are all goals to which the government is as committed today as it was when the exemption was first introduced in 1985.

However, as with any legislation, it is necessary to continually assess the effectiveness with which the exemption meets these objectives and to weigh these objectives against the need for fiscal responsibility.

In keeping with this, the government is proposing—effective for 1992 and subsequent taxation years—to amend the rules governing the availability of the lifetime capital gains exemption.

Specifically the exemption will no longer be available in respect of most gains of an individual on the sale of real estate purchased after February 1992 that is not used in an active business carried on by the individual.

Individuals who purchased real estate before this date will, however, still be eligible to benefit from exemption in respect of a *pro rata* portion of any gain that they realize.

The portion of the gain that will continue to be eligible for the exemption will be determined on the basis of a formula that notionally allocates any gain over the ownership period. That portion of the gain that is allocated to the period prior to March 1992 will qualify for the exemption.

Thus, if an individual realized a $15,000 capital gain on land that was purchased in March 1990 and sold in February 1993, two-thirds of the gain or $10,000 will be eligible for the exemption.

These changes are in no way a reversal of the government's original intention in introducing the lifetime capital gains exemption. Rather, they are intended to help direct resources toward those investments such as equities that will best enhance Canada's ability to compete in international markets.

In this manner they respond to the economy's growing need for investment funds and will ensure that the lifetime capital gains exemption will continue to represent a major incentive for Canadians to invest.

Finally, it is not clear that these changes will have an adverse impact on the provision of private rental accommodation. It is clear that speculative real estate ventures will be less attractive thereby easing the upward pressure on real estate prices. This, in turn, could potentially increase the yields on investments that may be realized through rent as opposed to capital gains on real property.

I would like to recap what I said earlier today just a few minutes ago and make some comments on four major objectives.

First, the objective of the capital gains exemption is to encourage risk taking and broader and individual participation in equity markets.

Second, it is necessary to assess the effectiveness with which the exemption meets these objectives and to weigh these objectives against the need for fiscal responsibility.

Third, by restricting the availability of the exemption, the government is responding to the economy's growing need for investment funds. This will help direct resources to those investments that will best enhance Canada's international competitiveness.

• (1535)

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

[*Translation*]

Hon. Pierre Blais (for the Minister of Finance) moved:

Motion No. 4.

That Bill C-92 be amended by adding immediately after line 28 at page 242 the following new clause:

"137. (1) Subsections 241(1) to (5) of the said Act are repealed and the following substituted therefor:

241. (1) Except as authorized by this section, no official shall

(*a*) knowingly provide, or knowingly allow to be provided, to any person any taxpayer information;

(*b*) knowingly allow any person to have access to any taxpayer information; or

(*c*) knowingly use any taxpayer information otherwise than in the course of the administration or enforcement of this Act, the *Canada Pension Plan* or the *Unemployment Insurance Act* or for the purpose for which it was provided under this section.

(2) Notwithstanding any other Act of Parliament or other law, no official shall be required, in connection with any legal proceedings, to give or produce evidence relating to any taxpayer information.

(3) Subsections (1) and (2) do not apply in respect of

(*a*) criminal proceedings, either by indictment or on summary conviction, that have been commenced by the laying of an information or the preferring of an indictment, under an Act of Parliament; or

(*b*) any legal proceedings relating to the administration or enforcement of this Act, the *Canada Pension Plan* or the *Unemployment Insurance Act* or any other Act of Parliament or law of a province that provides for the imposition or collection of a tax or duty.

(3.1) The Minister may provide to appropriate persons any taxpayer information relating to imminent danger of death or physical injury to any individual.

(4) An official may

(*a*) provide to any person taxpayer information that can reasonably be regarded as necessary for the purpose of the administration or enforcement of this Act, the *Canada Pension Plan* or the *Unemployment Insurance Act*, solely for that purpose;

(*b*) provide to any person taxpayer information that can reasonably be regarded as necessary for the purposes of determining any tax, interest, penalty or other amount that is or may become payable by the person, or any refund or tax credit to which the person is or may become entitled, under this Act or any other amount that is relevant for the purposes of that determination;

(*c*) provide to the person who seeks a certification referred to in paragraph 147.1(10)(a) the certification or a refusal to make the certification, solely for the purposes of administering a registered pension plan;

(*d*) provide taxpayer information

(i) to an official of the Department of Finance solely for the purposes of the formulation or evaluation of fiscal policy,

(ii) to an official solely for the purposes of the initial implementation of a fiscal policy or for the purposes of the administration or enforcement of an Act of Parliament that provides for the imposition and collection of a tax or duty,

(iii) to an official solely for the purposes of the administration or enforcement of a law of a province that provides for the imposition or collection of a tax or duty,

(iv) to an official of the government of a province solely for the purposes of the formulation or evaluation of fiscal policy,

(v) to an official of the Department of Energy, Mines and Resources or of the government of a province solely for the purposes of the administration or enforcement of a program of the Government of Canada or of the province relating to the exploration for or exploitation of Canadian petroleum and gas resources,

(vi) to an official of the government of a province that has received or is entitled to receive a payment referred to in this subparagraph, or to an official of the Department of Energy, Mines and Resources, solely for the purposes of the provisions relating to payments to a province in respect of the taxable income of corporations earned in the offshore area with respect to the province under the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act*, the *Canada-Newfoundland Atlantic Accord Implementation Act* or similar Acts relating to the exploration for or exploitation of offshore Canadian petroleum and gas resources,

(vii) to an official solely for the purposes of the administration or enforcement of the *Pension Benefits Standards Act, 1985* or a similar law of a province,

(viii) to an official of the Department of Veterans Affairs solely for the purposes of the administration of the *War Veterans Allowance Act* or Part XI of the *Civilian War Pensions and Allowances Act*,

(ix) to an official of a department or agency of the Government of Canada or of a province as to the name, address, occupation, size or type of business of a taxpayer, solely for the purposes of enabling that department or agency to obtain statistical data for research and analysis,

(x) to an official of the Canada Employment and Immigration Commission or the Department of Employment and Immigration solely for the purposes of the administration or enforcement of, or the evaluation or formulation of policy for the purposes of, the *Unemployment Insurance Act* or an employment program of the Government of Canada,

(xi) to an official of the Department of Agriculture or of the government of a province solely for the purposes of the administration or enforcement of a program of the Government of Canada or of the province established under an agreement entered into under the *Farm Income Protection Act*,

(xii) to an official of the Department of Communications or a member of the Canadian Cultural Property Export Review Board solely for the purposes of administering sections 32 and 33 of the *Cultural Property Export and Import Act*,

(xiii) to an official solely for the purposes of setting off against any sum of money that may be due or payable by Her Majesty in right of Canada a debt due to

(A) Her Majesty in right of Canada, or

(B) Her Majesty in right of a province on account of taxes payable to the province where an agreement exists between Canada and the province under which Canada is authorized to collect the taxes on behalf of the province, or

(xiv) to an official solely for the purposes of section 7.1 of the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act*;

(*e*) provide taxpayer information, or allow the inspection of or access to taxpayer information, as the case may be, under, and solely for the purposes of,

(i) subsection 36(2) or section 46 of the *Access to Information Act*,

(ii) section 13 of the *Auditor General Act*,

(iii) section 92 of the *Canada Pension Plan*,

(iv) a warrant issued under subsection 21(3) of the *Canadian Security Intelligence Service Act*,

(v) an order made under subsection 462.48(3) of the *Criminal Code*,

(vi) section 26 of the *Cultural Property Export and Import Act*,

(vii) section 62 of the *Family Orders and Agreements Enforcement Assistance Act*,

(viii) paragraph 33(3)(a) of the *Old Age Security Act*,

(ix) subsection 34(2) or section 45 of the *Privacy Act*,

(x) section 24 of the *Statistics Act*,

(xi) section 9 of the *Tax Rebate Discounting Act*, or

(xii) a provision contained in a tax convention or agreement between Canada and another country that has the force of law in Canada;

(*f*) provide taxpayer information solely for the purposes of sections 23 to 25 of the *Financial Administration Act*;

(*g*) use taxpayer information to compile information in a form that does not directly or indirectly reveal the identity of the taxpayer to whom the information relates;

(*h*) use, or provide to any person, taxpayer information solely for a purpose relating to the supervision, evaluation or discipline of an authorized person by Her Majesty in right of Canada in respect of a period during which the authorized person was employed by or engaged by or on behalf of Her Majesty in right of Canada to assist in the administration or enforcement of this Act, the *Canada Pension Plan* or the *Unemployment Insurance Act*, to the extent that the information is relevant for that purpose;

(*i*) provide access to records of taxpayer information to the National Archivist of Canada or a person acting on behalf of or under the direction of the National Archivist of Canada, solely for the purposes of section 5 of the *National Archives of Canada Act*, and transfer such records to the care and control of such persons solely for the purposes of section 6 of that Act;

(*j*) use taxpayer information relating to a taxpayer to provide information to the taxpayer; or

(*k*) provide, or allow inspection of or access to, taxpayer information to or by any person otherwise legally entitled to it under an Act of Parliament solely for the purposes for which that person is entitled to the information.

(4.1) The person who presides at a legal proceeding relating to the supervision, evaluation or discipline of an authorized person may order such measures as are necessary to ensure that taxpayer information is not used or provided to any person for any purpose not relating to that proceeding, including

(*a*) holding a hearing *in camera*;

(*b*) banning the publication of the information;

(*c*) concealing the identity of the taxpayer to whom the information relates; and

(*d*) sealing the records of the proceeding.

(5) An official may provide taxpayer information relating to a taxpayer

(*a*) to the taxpayer; and

(*b*) with the consent of the taxpayer, to any other person.

(2) All that portion of subsection 241(6) of the said Act preceding paragraph (a) thereof is repealed and the following substituted therefor:

(6) An order or direction that is made in the course of or in connection with any legal proceedings and that requires an official or authorized person to give or produce evidence relating to any taxpayer information may, by notice served on all interested parties, be appealed forthwith by the Minister or by the person against whom the order or direction is made to

(3) Subsection 241(10) of the said Act is repealed and the following substituted therefor:

(10) In this section,

"authorized person" means a person who is engaged or employed, or who was formerly engaged or employed, by or on behalf of Her Majesty in right of Canada to assist in carrying out the provisions of this Act, the *Canada Pension Plan* or the *Unemployment Insurance Act*;

"court of appeal" has the meaning assigned by paragraphs (*a*) to (*l*) of the definition "court of appeal" in section 2 of the *Criminal Code*;

"official" means any person who is employed in the service of, who occupies a position of responsibility in the service of, or who is engaged by or on behalf of,

(*a*) Her Majesty in right of Canada or a province, or

(*b*) an authority engaged in administering a law of a province similar to the *Pension Benefits Standards Act, 1985*,

or any person who was formerly so employed, who formerly occupied such a position or who was formerly so engaged;

"taxpayer information" means information of any kind and in any form relating to one or more taxpayers that is

(*a*) obtained by or on behalf of the Minister for the purposes of this Act, or

(*b*) prepared from information referred to in paragraph (a),

but does not include information that does not directly or indirectly reveal the identity of the taxpayer to whom it relates.

(11) The references in subsections (1), (3), (4) and (10) to "this Act" shall be read as references to "this Act or the *Petroleum and Gas Revenue Tax Act*".

[*English*]

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I am very surprised that the government that is proposing Motion No. 4 is not standing up and speaking to Motion No. 4.

I want to say that this motion concerns employees of the government and I believe it should be embarrassed. This is a clause which would allow the personal tax returns of tax and Revenue Canada employees to be used in a way which obviously worries them very much and in a way that most Canadians would not be subjected to. They feel if this particular clause is moved forward that their employers will be able to access their personal tax returns and use the information in the particular tax return to harass them in their work if it is absolutely the case.

I cannot say that I am convinced one way or the other because in committee we did not have a chance to completely study the question.

The committee system is meant for us to have a chance to study all the clauses at the committee and when we do that we have a chance to speak to different witnesses. Certain witnesses from a union of public employees came forward and addressed the committee stating that they were very worried about this clause. We had requested perhaps that the privacy commissioner, who had also written to the committee, appear before the committee.

The committee chairman was very anxious to get Bill C-92 through the committee and it was decided in the interest of facilitating the bill that this clause would be taken out. For that reason the bill moved through committee.

Now here we are back in the House. The clause has been reintroduced absolutely word for word in its original form. It is a despicable way of behaving for people who are going around the country saying they wish to have a reform of the parliamentary institutions. What kind of reform is it going to want when the only thing it understands is that if it makes a decision, it has to be its way and that is it. The government reintroduced this clause with absolutely no changes, without answering the questions and the fears of employees. This is a serious matter. The government should withdraw the motion which reintroduces this clause in order to facilitate and to open up the debate and to make it a more honest approach.

• (1540)

I would ask the government to at least defend its position. Members should explain to the people of Canada, to their employees, why it has reintroduced this clause in word for word fashion without answering the fears of its employees.

Nobody else will have the same kind of rules apply to them. Imagine, Mr. Speaker, if your tax return information could be accessed by your boss to be used in some way against you if it is thought that you are not performing your job properly. No one else has that privilege.

If an employee does anything with his own personal tax return which is not right, he should be subjected to exactly the same rules as all other Canadians. In effect, this clause will remove that.

It is a serious matter. Perhaps there are reasons for doing this. It certainly was not clear at committee and there was not a lot of discussion on it. I would ask that this motion be withdrawn.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, you know how much I respect the hon. member for Sudbury. I did not want to precede her; I just wanted to offer her the floor before me on report stage of Bill C-92.

The amendment in question would put back in Bill C-92 the clause deleted by the finance committee. This clause, former clause 137, amends some rules on the confidentiality of information in section 241 of the Income Tax Act. Section 241 forbids officials to use or communicate information obtained under the act unless expressly authorized in one of the exemptions provided in that section.

I think that the former clause 137 should be restored for three reasons.

First, in addition to the amendment considered by the finance committee, this clause makes some improvements to section 241 of the act. For example, one of the improvements is that rules on the confidentiality of information do not apply to information that does not directly or indirectly identify the taxpayer.

This would confirm Revenue Canada's ability to publish summary data or statistics needed to develop social and fiscal policy. These data are also very widely used by the business community.

Another important amendment would allow Revenue Canada to use a taxpayer's address to send him information. Thus Revenue Canada could provide a service like the mail service available through the American tax authorities in medical or legal emergencies.

Another amendment says that confidential information can be provided to provincial governments for evaluating or formulating tax policy. This amendment would also allow providing confidential information to provincial officials responsible for applying or enforcing a federal tax law. That is important, for example, when the Quebec Department of Revenue collects the GST for the federal government.

• (1545)

The second reason for reinstating former clause 137 is that without this clause certain amendments to another clause in the bill would no longer serve any purpose. More specifically, clause 136 introduces a number of amendments to section 239 of the Income Tax Act which arise from amendments made under former clause 137. Unless the clause is reinstated some of the amendments provided under clause 136 will not make sense. In fact, the relevant provision of section 239 of the act provides that contravening the confidentiality of information rules described under section 241 of the act constitutes an offence. If former clause 137 is not reinstated it would be impossible to enforce this provision in some cases, which could seriously undermine the application of the rules on the confidentiality of information.

These references to certain clauses may be confusing to some, but all members who sat on the finance committee know very well what we are talking about right now.

The third reason for reinstating former clause 137 is that most of the concerns about this clause, based on the right to privacy, have been laid to rest. These concerns arose from the amendment that would allow the use of confidential information for the purposes of surveillance or evaluation of Revenue Canada employees or of disciplinary measures imposed on these employees.

I would like to explain briefly why it was necessary to introduce this amendment.

Until recently senior management at Revenue Canada, Taxation, considered that the department's mandate for applying tax legislation allowed it to use confidential information for the purpose of supervising and evaluating its employees and taking disciplinary action in their regard. For instance, if a Revenue Canada employee used information concerning another taxpayer for his own purposes or if the employee falsified information in his own tax return in order to take advantage of insider information on the department's assessment and audit practices, Revenue Canada managers assumed they could use that information to take appropriate disciplinary action.

However, in 1987 the Federal Court maintained that this particular use of information by management contravened the rules on the confidentiality of information. Consequently it is impossible to submit confidential information to support the disciplinary action proposed in a particular case. The fact remains that relevant confidential information can always be submitted as evidence when charges are laid, as is sometimes the case. However, in other less serious situations it is more appropriate to take disciplinary action than to lay charges, and even in cases where charges are laid Revenue Canada managers must be able to take temporary disciplinary action, pending the outcome of the case, in order to safeguard the integrity of the tax system.

The proposed amendments would allow the use of confidential information in the case of disciplinary proceedings, as was the case before the decision handed down by the Federal Court in 1987. This particular use would however be qualified by new safety measures to make sure that only relevant confidential information is used and to prevent disclosure of information submitted before a disciplinary tribunal. The person chairing the proceedings would be authorized to order a hearing to be held *in camera* and to impose a ban on publication of the information or measures in question in order to protect the identity of the taxpayer.

Many of the concerns about this amendment were raised by privacy commissioner, Bruce Phillips, who was afraid that the amendment would impinge on the right to privacy of Revenue Canada employees and that it would give departmental managers undue authority over their employees. However these fears were allayed after discussions and exchanges of letters between Mr. Phillips and national revenue deputy minister Pierre Gravelle.

• (1550)

To prove my point I would like to read a few paragraphs from a letter written by Mr. Phillips, which the deputy minister of national revenue was kind enough to give me. The finance committee did not have the opportunity to see this letter before voting on Bill C-92. The letter is dated March 23, 1993 and it is addressed to Mr. Gravelle. With your permission, I will read some excerpts of this letter, which I was kindly given. I am making an *ad hoc* translation.

> Thank you for your letter of March 23, 1993 on the proposed amendments to the Income Tax Act and the Excise Tax Act, as well as the concerns which I raised in my letter of March 18.
>
> I first want to tell you how pleased I was with the tone and the substance of your letter. Indeed, you readily recognize the importance of issues related to privacy and you propose to hold consultations to develop safeguards for protecting the right to privacy when disciplinary action is taken.
>
> You mention that I did not disagree that you have the right, indeed the obligation, to ensure the total honesty of your employees, and particularly to make sure that no employee uses insider information for his or her personal benefit. I am convinced that all Canadians support this objective.
>
> My concern has to do with potential abuse, and I proposed, as a possible approach, setting strict criteria for the disciplinary review of employee files, such as defining what constitutes reasonable grounds.
>
> I am therefore pleased to see that you have undertaken to develop guidelines on this issue and that you are willing to discuss them with people from my office and others concerned. I am very pleased with this proposal and I am confident that together we can come up with a satisfactory solution which will protect the employees' right to privacy.

As I said earlier, this is an excerpt from a letter dealing with Bill C-92, which was addressed to Mr. Gravelle, the deputy minister—

[*English*]

Mr. Baker: Mr. Speaker, the hon. member speaking just quoted excerpts from a letter. He repeated it three times. I heard him say that he had the full letter in his hand. According to the rules of procedure the member must, if called upon, table the complete letter forthwith. I ask Mr. Speaker to make that ruling.

[*Translation*]

Mr. Tremblay (Québec-Est): Mr. Speaker, I have before me the whole letter from Bruce Phillips to Pierre Gravelle, dated March 23, to which I was referring. This letter is in English and I translated it as I went along. My comments apply to the whole letter. I will be pleased to include with my notes the full text of the letter, which is a public document in any case.

With your permission, I will now carry on.

The Acting Speaker (Mr. DeBlois): I first want to remind the hon. members of the usual practice in the House. A member can ask for the tabling of a document by a minister, however, in the case of a member, even though he or she may be a parliamentary secretary, it is up to that person to comply. I understand that the hon. member has no objection to tabling that document.

Mr. Tremblay (Québec-Est): Indeed, Mr. Speaker, I do not think that the minister will object to the tabling of a letter which is already a public document.

The Privacy Commissioner of Canada is convinced, as I am, that by holding consultations with his office and with others concerned, such as the Public Service Alliance of Canada and other unions representing Revenue Canada employees, this department will be able to develop guidelines for protecting the legitimate privacy interests of its employees.

• (1555)

I maintain that these guidelines, along with the legislative proposals included in the former clause 137, will ensure a fair balance between the different interests involved.

Since my time is running out quickly, I recommend that the House adopt the motion to amend Bill C-92 by reinstating the former clause 137.

[*English*]

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the letter that the hon. member was quoting from was a letter in response to Mr. Phillips from the deputy minister. The member stands up in the House and says:"Oh, I have a copy of a letter here from Mr. Bruce Phillips who is the privacy commissioner to the deputy minister". He quotes from one letter and then claims he has the other letter in his hand. I do not want the other letter. That was in the news media. I want the letter that he was quoting from. I would maintain that a parliamentary secretary has the same status in this Chamber as a minister.

It is important to see what has happened here. What has happened in this House is this. Let me just take us back a week. There was a national news story across Canada. The national news story said that the privacy commissioner had concerns about what was in this bill. The committee voted to take out the clause relating to the so-called invasion of privacy. The clause says that certain people can have their income tax returns examined. There have been no criminal charges laid because of course once you do that you can get it examined anyway. This allows a specific employer to take somebody's personal income tax return, namely an employee of the Government of Canada working at Revenue Canada, and it allows the boss to look at his income tax return to discipline him. That is why the committee took it out.

It made the news right across Canada. The committee decided to take out that clause. Then the committee, having seen a victory, shortened its hearings because no witnesses were called. The privacy commissioner was off the hook and the bill went through the committee. Now we are back in the House of Commons and they are reintroducing the clause they took out in the committee to shorten the committee hearings.

What would you call that? It is an interesting study in parliamentary procedure. I am sure that the clerks at the table and people who write in such magazines as *The Parliamentarian* and political science students will be able to do a masters thesis on this one. This is a precedent I would say in the British tradition of parliamentary procedure to have a clause taken out in a committee. The committee then reports back the bill, satisfied that it has done its job. There were no hearings on that clause at all, no hearings from the privacy commissioner who said: "You are violating the rights of people in Canada to have their income tax returns taken and looked at by your boss to discipline you".

It was taken out and the bill passes because the clause is out. It comes before the House with a majority vote in the House of Commons to reintroduce the clause during closure and have it passed. The privacy commissioner, Bruce Phillips, was absolutely correct in his judgment. The government is doing something against what the privacy commission made a big fuss about in the media last week. There is such a thing on the back of every income tax return called the "Declaration of Taxpayer Rights".

• (1600)

You will see it on the back of every single booklet for income tax purposes. It says: "Declaration of Taxpayer Rights". It has been there, my goodness, ever since I can recall. It is a declaration of taxpayer rights in dealings with Revenue Canada, Taxation. You have important rights.

In a section of the declaration of taxpayer rights, it reads: "Privacy and confidentiality". Let me just read the sentence. It says: "You are entitled to expect that we will use the personal and financial information you provide us only for purposes the law allows". The law allows.

This is the law that we are passing today. This is the amendment that we are sticking into that law that we are passing today. That will be the law of Canada. It will be that which the law allows. What will the law allow?

It will allow an employee of Revenue Canada to have his or her personal income tax return taken out to be examined for "surveillance purposes" for "disciplinary actions" without laying charges. As the law presently stands if you do not lay the charges you do not get to look at the income tax return.

This will allow them to do it without any other reason except the boss having an inkling or a feeling. If he does not like the looks of a person, if he does not like the way a person is acting in Revenue Canada, all those employees now can have their personal income tax returns looked at and examined.

We have a division of Revenue Canada called the audit branch. There are 14.6 million returns filed in Canada. There are 35,000 returns on average that are re-examined. They are audited. If you work it out that works out to one chance in 430 years of having your income tax

return examined in a manner that we are prescribing under this new clause.

In other words, for you to be audited it is once every 430 years if the law is not discriminating against you if you are an ordinary Canadian. If you have done something wrong in your income tax return of course you can be liable. If some little thing is wrong there are fines of up to $25,000 and jail for one year.

Now we will have a new class of people in Canada whose income tax returns can be taken out at any time. They can be judged as to whether or not they can get a promotion. Their personal finances are looked at, who they are paying money to and which educational institution they support. What are their deductions? What are their personal and financial circumstances? What are people doing in their families? Exactly what is the condition of each person in that family? What are they doing? Everything.

We are passing this on an excuse. The minister says: "For possible disciplinary actions without laying charges", "for surveillance of employees at Revenue Canada", "to allow supervisors to obtain the private information of somebody's income tax return", "to allow the government to give surveillance to employees of Revenue Canada".

Can you imagine what the employees of Revenue Canada are feeling today having this special law just for them?

• (1605)

They will now be under a microscope because the Parliament of Canada has decided to defy what the privacy commissioner said last week publicly in the newspapers in this country. Members of Parliament decided when they went into their standing committee that somebody behind the scenes was going to pull a fast one and they were going to get the thing out of the public view by withdrawing the clause. All the government members sat there and refused to vote.

If I am wrong on this let me be corrected now. They supported it by their silence because they knew that it was going to be brought back in a sneaky fashion and reintroduced through the strict majority of this Chamber.

This is an outrage. We should have a hearing by the privacy commissioner before the House of Commons.

Mr. Blaikie: Mr. Speaker, on a point of order. Have we totally abandoned the way we normally do business here? We have had a government member and two Liberal members. It is about time we had an NDP spokesperson on this.

The Acting Speaker (Mr. DeBlois): I have no problem giving the floor, but in the tradition of this House the Speaker watches the two sides of the House. After this side, I have my eyes on the other side. It is the tradition. If the hon. member wants to speak absolutely, I have no problem.

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, perhaps inadvertently I changed what might have been your normal procedure because I was simply getting up, not because I had been planning to, but because I wanted to respond to what the hon. member who just spoke stated. I wanted to do that in a timely fashion. I was completely prepared to allow the hon. member from Winnipeg to go ahead if he wishes. Perhaps I could just intervene here on this point.

The member has just talked about a process which included a committee of which I was the chairman. I think perhaps I could elucidate slightly about the procedure that was followed because perhaps inadvertently he has heard about the procedure. As I recall he was not there so he must have read or heard about it or otherwise got his information.

We are dealing here with a bill with probably 200 to 250 pages that incorporates many different changes to the Income Tax Act, what we often call a technical bill. Basically it is a bill which is picking up all kinds of different things which have accumulated over the course of a year and putting them into a bill.

One of those things happens to do with the matter that the hon. member is speaking about in the question of the utilization of tax returns of Revenue Canada employees in the evaluation of their work or in cases which may involve them in terms of their own personal tax liability.

What happened in committee was that this matter was brought to our attention very late in the committee process. The bill had been referred to committee. We had examined the matters that had been raised and of interest and in particular the one spoke of here earlier today about trusts where we invited some people to come and talk about that.

This matter only came to our attention at a point in time when we were doing clause by clause. Given the fact that this matter was not necessary in terms of the remainder of the bill, at the time the thought was that we could proceed with the remainder of the bill and allow this matter if you like to be defeated or to stand aside because it did not have anything to do with the integrity of the rest of the bill. We were in fact conceding this matter in order to pass 99 per cent of the bill.

What happened is that the union representing Revenue Canada employees had raised the matter. It raised it with the privacy commissioner as well. He wrote a letter to me advising of his concern. We were going to deal with that. We were interrupted that day because of a vote in this House. We discovered after that that in fact there had been subsequent action. The deputy minister of Revenue Canada had responded to the letter of the privacy commissioner and subsequently the privacy commissioner responded to the deputy minister for Revenue Canada saying that he was satisfied with the response and the process and that his concerns had been alleviated. All those letters are a matter of public record and if anybody wishes to have them I can make them available because I have them. I have circulated them to all members of the finance committee. I believe members of his own party should have them, but if not I can make them available. Those letters outline the exchange.

• (1610)

The understanding of many members, including myself, was that over the course of time between the passing of the bill and its returning to the House, members would have an opportunity to examine the issue, see the exchange of correspondence that had taken place and then come to a proper conclusion.

Whether the idea of incorporating or allowing the tax returns of employees of Revenue Canada to be used in cases where they were involved to be entered into evidence is a matter on which members can come to their conclusion. However I just want to speak to the process.

The process was not that members in some way defeated this. The expectation at the time was that members would apprise themselves of the exchange of correspondence and any other facts that they might not be aware of at that time. It was a way to let the bill proceed expeditiously.

On the question of whether this information should be allowed to be used for the purposes of Revenue Canada in its administration of the Income Tax Act, this was the practice at Revenue Canada for many years. It was a court decision a couple of years ago. The Revenue Canada Act states that this information can only be used for the purposes of the act. Revenue Canada had always interpreted that to mean that administering the Revenue Canada Act included administering its own employees and on that basis could use this information. The courts defined more narrowly.

This measure seeks to suggest that where a Revenue Canada employee may have been involved in a matter that may have involved a taxpayer and there may have been a fraud, a breach of trust or some other matter, that the income tax return of that employee could be relevant to the particular case and could be used in evidence before a tribunal that involved this employee.

Again it is up to members to debate the merits of that, but that is what this matter seeks to do. It re-establishes a practice that had been there in the past. The process used was to expedite the passage of the bill. There was no objection to most of the other measures.

* * *

NORTH AMERICAN FREE TRADE AGREEMENT IMPLEMENTATION ACT

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-115

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): On a point of order, I beg the indulgence of the House, Mr. Speaker, to give notice that an agreement could not be reached under the provisions of Standing Order 78(1) or (2) with respect to second reading of Bill C-115, an act to implement the North American free trade agreement.

Under the provision of Standing Order 78(3), I give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at the second reading stage.

Mr. Baker: Mr. Speaker, a point of order. I wonder if you could rule whether it is permissible for a motion to be put on a point of order when dealing with a separate motion before the House?

[*Translation*]

The Acting Speaker (Mr. DeBlois): I want to remind the hon. member that this is only a notice. This does not necessarily mean that government will act on this notice. For the time being, it is nothing more than a notice given to this House. Therefore, no motion *per se* has been put before this House.

* * *

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related acts, as reported (with amendment) from the Standing Committee on Finance; and Motion No. 4.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the notice given by the minister just previously may be procedurally acceptable, but it is certainly not acceptable in any moral or parliamentary way.

We have only just begun debate on the North American free trade agreement and already the government is moving time allocation. It is certainly something on which I have made representations to the Chair. I hope now that the government's intentions are clear that the Chair will respond to my letter of Thursday last week with some expedience and with favour I hope.

• (1615)

In any event, I appreciated the intervention of the chairman of the finance committee. He has a reputation of being a fair-minded person. I think he gave a reasonable account of things except that it is also fair to say that opposition members have good reason to feel somewhat betrayed by the process.

I know that I as the NDP member on that committee had the impression at one point that when clause 137, which is the motion we are debating now, was defeated it was for the purposes of either leaving it out altogether or amending it in a way that may have proved acceptable to the opposition or may have proved unacceptable. But I certainly did not expect the government would simply reintroduce it at report stage without any changes at all.

It is perfectly within the government's right to do that but that was not my expectation. Certainly we could have kept things going that evening had we thought that all we were going to be faced with, having done what we did, was the reintroduction of the clause unchanged.

There was some disposition on the part of the government at that time to find an amendment that would meet some of the concerns that were raised by the Public Service Alliance. When the government members said: "Why don't we just defeat the clause and we can deal with this later", I think there was a reasonable expectation on the part of the opposition and of the Public Service Alliance people who were present that there was a willingness to try and deal with it.

The chairman of the committee may argue that it has been dealt with in the sense that the privacy commissioner has dealt with it by saying that the objections which he raised in his conversations and exchange of letters with Mr. Gravelle of Revenue Canada have been dealt with to his satisfaction. However, just because the privacy commissioner is satisfied that there is a willingness to develop safeguards, et cetera, does not mean that the issue simply disappears. The issue did not rely solely on the intervention of the privacy commissioner in the first place. In fact, we did not hear from the privacy commissioner, we heard from the Public Service Alliance of Canada.

It is in that sense that I think the government, even though it is operating within the rules, has not acted in good faith, perhaps not even in a way that the government members on the committee thought it would act. I have no way of knowing exactly what they expected, but my reading at that time was that there was a willingness to try and find some accommodation.

Instead we are faced with the reintroduction of clause 137 exactly as it was. One wonders about the integrity of the committee process in the final analysis. If a committee can defeat a clause only to have the government—the government in the big brother sense of the word—say presumably to the committee members: "That was a fine, independent act you were responsible

for in committee but we are sorry, we are going to reintroduce exactly what you permitted to be defeated".

For me, it was one of those times when I really felt that committee work mattered. We got together with the government members and said: "Look, there is a problem here. Let's defeat it". If we had time maybe we could have developed an amendment, but I thought that was forthcoming. There we were working like members of Parliament are supposed to work in the public mind. What happens is the government steps in at some point after and says: "Sorry, we want our way and we want our way exactly the way we want it".

• (1620)

From a kind of political process and parliamentary process point of view, this is an awfully disappointing thing. I am somewhat—I do not know if disappointed is the right word—in the privacy commissioner who in some respects seems to have retreated from his earlier concerns.

Perhaps retreat is a pejorative way to put it. Maybe it is just that he understood things that he did not understand before, whatever the case may be. The fact is that the commitment to develop safeguards is understandably not enough for Revenue Canada employees. For one thing, they do not know what those safeguards will be, whether they will actually be safeguards or whether they will just be phoney guards that safeguard the government in its introduction of this new and much more Draconian measure with respect to access to the tax files of Revenue Canada employees than anything we have ever seen before.

I was certainly persuaded by the testimony we heard and by my own reading of the issue that this is not something the government desperately needs. It has at its disposal other remedies when it feels that an employee of Revenue Canada is somehow using their position in a way that advantages them in terms of their own personal income tax. The government has ways of dealing with that.

I mentioned the court case that the member before me referred to and which officials before the committee referred to frequently in justifying this action. The one thing that they never mentioned was that the person who was the centre of that court case, if I understand things correctly, is not now an employee of Revenue Canada. It is not as if the government was unsuccessful in its dealing with that person. It did manage to get rid of that person, so to speak.

I think the government is making a serious mistake here. I have a great many Revenue Canada employees in my constituency. I happen to have located in my constituency, Winnipeg Transcona, the taxation data centre for western Canada and I know a great many people who work there. I have walked the picket line with them. I have fought on their behalf, successfully once and unsuccessfully the second time, when the government tried to introduce parking fees and a number of other things.

I find that I share their offence at having the government introduce a measure which puts them in a special category of Canadian taxpayers. I share their offence at being put in this special class of people whose tax files will be available basically at the whim of supervisors or senior management in Revenue Canada.

Maybe this is what the safeguards are intended to deal with, but we will believe that when we see it. When someone is in dispute with management, management will have this extra hammer that they will presumably in an unrelated way, if they so desire, be able to use. They will be able to look into that person's tax files in a totally unprovoked way, that is to say, as far as it pertains to their tax, the way that they are dealing with their taxes, and see if there is not something that they can get on that person, see if there is not something that they can use against that person.

That is a form of discipline and a form of management oversight or intrusion into the privacy of employees that no one else in the country would be expected to tolerate. That is the reason why people who are working for Revenue Canada take offence at this. I think they are justified in taking offence at this. I think that the members of the committee saw the offence that this was to them and to other notions of privacy that we all hold in common.

• (1625)

That is why they defeated it and hoped that it would be dealt with satisfactorily, presumably by an amendment or, failing an amendment that was satisfactory to all the interested parties, by leaving out clause 137 or reintroducing clause 137 without the offending language. I understand that clause 137 contains more than just what

we are dealing with here. That was part of a concern expressed by a departmental official who did the very unusual thing of leaping to the table at the committee meeting as if he was a committee member and trying to prevent the committee from doing what it was about to do. Then he was reminded that he was not a member of the committee and that he should take his place as an official.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to extend the time of the hon. member?

Some hon. members: Agreed.

Mr. Blaikie: I promise not to go on too long, Mr. Speaker, at the request of my own colleagues.

In any event, there was a way this could have been dealt with so that it could have satisfied the Public Service Alliance of Canada and it could have been an exemplary moment in the life of committees and the relationship between committee and Parliament. Instead, it has turned out to be kind of a dirty deal and one other occasion on which we feel that maybe we were a little bit naive. We should have dragged the committee on and been obstructionist and made absolutely sure that we got exactly what we wanted and done all of those things that we are sometimes condemned for in this place.

This time we did not do that. We said that it looks like there is some goodwill here and there is the possibility for a constructive solution. What happens? We get it in the ear. The clause is reintroduced exactly as it was. That is why we will be voting against it.

It is still the offence that it was in the beginning to the integrity and privacy of Revenue Canada employees. It is beyond that now. It is an offence against the appropriate relationship that ought to obtain with a committee that deletes a clause with the expectation that it will be amended and not reintroduced uncritically at report stage, as it has been.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I rise to make a few comments with respect to what happened in the committee and the reason this amendment is before us.

When we in the committee received the complaint by the Public Service Commission we had already heard all of the witnesses we intended to hear on this bill and were going to go immediately to clause by clause. We decided to break the pattern and call in the Public Service Alliance people to explain their concerns.

We then called Revenue Canada people and unfortunately the bells rang for a vote and we came back.

During the course of that vote period, Bruce Phillips, the privacy commissioner, had re-examined the entire matter and was going to appear as a witness at the committee. Unfortunately it was impossible to carry on the committee in that room much longer and it was necessary for the purpose of moving legislation forward that this bill be passed and this whole issue, which is really a very minor issue in a very large bill, be dealt with at report stage.

Everyone who has been involved in the bill has had a copy of the privacy commissioner's advice concerning the change. Indeed, if people take a look at the matter quite impartially they will note the rationale for the change. The change in the statute is brought about because of a case between the government and a woman by the name of Monica Lau, who is a tax assessor.

• (1630)

Ms. Lau was involved in tax gains in the years 1981, 1982 and 1983. In the course of a disciplinary matter the government used her tax return to fire her because the information on the tax return was essential to show the misfeasance that allowed a person to be fired from the Public Service of Canada.

The complainant took the matter to court and the court ruled that the government had no right to use Ms. Lau's tax return for the purpose of discipline and for the purpose of terminating her employment. That gave her the right to the damages that a public servant would have for being fired. She was fired for cause but she got damages for being fired for cause.

This change in the statute makes sure that people who have a special ability in the administration of income tax cannot use the tax system, their own tax system, to make money.

We have a situation in which disciplinary action is required and the tax return of an employee is relevant to that disciplinary action, and only to that extent can the tax return be used. The guidelines will specifically and in detail control that use.

It seems to me, and I am sure to other people here as taxpayers, that people who are employees of Revenue Canada and are in the business of examining tax returns and organizing the tax system have specialized knowledge and inside information in terms of how things work.

Therefore it is important, if we are going to make sure the system is fair and honest for taxpayers, that those persons who are hired for that specific purpose know that their own returns can be used should they play games with the system and benefit themselves through information they have gathered as a result of their employment with Revenue Canada.

One could say that we could fire her, and Ms. Lau certainly did get fired, but the question really is whether this is a dismissal with cause or a dismissal subject to damage. It is the government's view that when people are deceitful and dishonest in Revenue Canada and it is necessary to use their tax information to prove that deceit and dishonesty that they should not be able to hide behind the privacy of their tax returns so that their deceit and dishonesty cannot be legally shown and that deceit and dishonesty becomes a matter of employee discipline.

I think any fair-minded person would find that to be a fair statement and I suggest that the amendment is necessary. It came forward like this because we were not prepared to pass the bill and that section without the information and undertakings from the privacy commissioner. We now have those. We are now prepared to put the section before the House.

Therefore members on the government side in the committee deliberately did not vote on that clause when the clause was put by the chairman and consequently the clause did not pass.

• (1635)

Members of the committee did it that way because the most convenient way of doing the amendment, changing it and handling it was by not passing the clause at committee and reintroducing it at report stage so that it could be passed. That was the clean, easy and neat way of doing it.

Everyone who was at the committee that evening knew that was going to happen. There is no deceit or misrepresentation here. It was perfectly obvious to everyone who was there exactly what we were doing. Otherwise we would have introduced detailed amendments at committee in connection with the particular clause before us. We did not do that simply because the cleanest, easiest and neatest way of handling the matter was to reintroduce the clause at report stage and put it to the House.

That is why it is before the House now. It was a neat, clean way of handling the matter and it would have been introduced in part form or altered form had the privacy commissioner not reported as he had. When he reported as he had the only proper and effective way of bringing this matter back to the House was to reintroduce the entire clause the way it was when the bill was first brought before the House at second reading.

That is the reason for it and that is why this amendment should pass.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I was not at the committee and I have listened attentively to the member for Mississauga South. I do not want to debate his point on what happened technically to the clauses of the bill. I want to deal with the substance of what we are involved with here, and I am personally opposed to this.

To have a situation where—and it does not matter that we are putting the onus on the fact that they are Revenue Canada employees—managers or supervisors, by a law of the land, are allowed to have access to a person's tax return is obscene. If there is a suspicion by a manager that the employee is breaking the law then lay the charge. Simply lay the charge.

We all know that from time to time because of the nature of human beings there could be a moment of frustration or tension in which someone could use the tax system in a way that would not be just. They could use that tax system outside the actual basic law of treating someone fairly. They could use this as a way of harassment.

I do not think this is right in any way, shape or form.

I want to go back to the remarks put forward by the Parliamentary Secretary to the Minister of Finance because he was quoting selectively from a letter that was

written by the privacy commissioner of Canada to the deputy minister of revenue, Mr. Pierre Gravelle. I want to read the entire letter because when I read it I think members will see that this is not a case in which the privacy commissioner is completely satisfied with what is going on here.

It says: "Dear Mr. Gravelle: Thank you for your letter of this date", this is March 23, "regarding the proposed amendments to the Income Tax Act and the Excise Tax Act and the concerns we expressed about them in my letter to you March 18. Let me say at the outset that I was gratified both by the tone and the substance of your letter. In the case of the former by your ready acknowledgement of the privacy interest in these matters, and in the latter by your proposal for a consultative process to develop proper privacy safeguards in disciplinary actions.

• (1640)

You noted that I did not disagree with the proposition that you have a right, indeed a duty, to ensure a high degree of employee integrity and particularly to satisfy yourself that no employee uses insider information for personal benefit. I am sure every Canadian supports that objective.

My concerns lie with the potential abuse. I suggested as a possible approach the establishment of stringent criteria for the examination of employee files for disciplinary purposes such as defining conditions of reasonable cause. It was satisfying, therefore, to learn that you already are in the process of developing guidelines with my office and other interested parties. I welcome this proposal, confident that together we can work out a satisfactory regime that protects privacy rights of employees.

Finally, let me acknowledge with pleasure that your interpretation of the "made language in the amendment to section 241" is the same as our own. Namely, that it is intended to enable Revenue Canada officials to carry out their duties under the Privacy Act.

I presume that your officials will soon be in touch with my office to initiate discussions on the guidelines mentioned above."

What we have here today is yet another example of this government's total disrespect for the House of Commons. It is another example where this government with its majority and its lean, mean machine approach to governing this country is trying to slide through an amendment that would give the management of Revenue Canada the right to look at their employees' tax returns.

There is not a person in this country who would support that kind of treatment. There is not a businessman or businesswoman in this country who would support an initiative where the boss can look or can get access to a person's tax returns. Once something like this is put into law with Revenue Canada where does it go?

One could use the same logic and apply it to judges, departments that give out grants for industry and to every public servant. Every public servant in this country is in a position of trust. Every one of us in this House of Commons is in a position of trust. If I am doing something wrong then someone can lay a charge against me or the employer or whoever it is can lay a charge against any public servant. However, to use the legislative process of the House of Commons of Canada to try and slide through just this little amendment so that the management of Revenue Canada could look at their employees' tax returns is totally and utterly wrong.

Something else bothers me about this as well. We had the deputy minister of Revenue Canada in the public accounts committee last week. He is a great public servant and a man who is dedicated to his job.

• (1645)

I want to say that I was so shocked to find out that the Department of Revenue has done no cost-benefit analysis on the GST. It has done no analysis. We know that the revenue of the GST is approximately $30 billion. We know that it put out this number of $15 billion after the social credits and the operating costs such as the GST police and so on. There is a net of $15 billion.

It has no figure for what, for example, the restaurant sector in Canada was bringing into the national Treasury pre-GST and post-GST. It has no idea how the GST has affected tourism pre-GST and post-GST. Tourism employs almost 12 per cent of the nation's work force. The tourism receipts in this country are down by almost 35 per cent. One cannot find a tourism operator in this country who will not say that the GST has caused the damage.

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows:

[*Translation*]

The hon. member for Bonavista—Trinity—Conception—National Defence; the hon. member for Gatineau—La Lièvre—Dairy Industry; the hon. member for Edmonton Southeast—Sovereign Life Insurance Company; the hon. member for Davenport—The Environment; and the hon. member for Saint-Boniface—Employment.

[*English*]

It being 4.45 p.m. pursuant to an order made Tuesday, March 30, 1993, in accordance with the provisions of Standing Order 78(3), it is my duty to interrupt the proceedings and put forward every question necessary to dispose of the report stage of the bill now before the House.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

Call in the members.

• (1705)

And the division bells having rung:

The Acting Speaker (Mr. DeBlois): Order, please. The first question is on Motion No. 1.

The House divided on the motion, which was negatived on the following division:

(Division No. 450)

YEAS

Members

Allmand
Althouse
Angus
Arseneault
Assad
Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)
Baker
Benjamin
Berger
Bevilacqua
Black
Blackburn (Brant)
Blaikie
Boudria
Brewin
Butland
Caccia
Campbell (South West Nova)
Catterall
Clancy
Copps
Crawford
de Jong
Dingwall
Dionne
Duceppe
Duhamel
Ferguson
Fisher
Flis
Fontana
Foster
Fulton
Funk
Gaffney
Gagliano
Gérin
Grey (Beaver River)
Guarnieri
Harb
Harvey (Edmonton East)
Heap
Hunter
Jordan
Karpoff
Keyes
Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)
Kindy
Kristiansen
Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)
Laporte
LeBlanc (Cape Breton Highlands—Canso)
Leblanc (Longueuil)
Lee
Maheu
Manley
Marleau
McCurdy
McLaughlin
Mifflin
Milliken
Mills
Mitchell
Nystrom
Pagtakhan
Parker
Peterson
Phinney
Pickard
Plamondon
Prud'homme
Rideout
Riis
Robinson
Rodriguez
Simmons
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Venne
Volpe
Wappel
Whittaker
Young (Acadie—Bathurst)
Young (Beaches—Woodbine)—89

NAYS

Members

Anderson
Andre
Atkinson
Attewell
Belsher
Bertrand
Bird
Bjornson
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard (Roberval)
Brightwell
Browes
Cadieux
Casey
Chadwick
Clark (Brandon—Souris)
Cole
Cooper
Corbeil
Corbett
Côté
Couture
Crosbie (St. John's West)
Danis
Darling
de Cotret
Della Noce
Desjardins
Dick
Dobbie
Dorin
Duplessis
Edwards
Fee
Feltham
Ferland
Fontaine
Friesen
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Gustafson

Halliday
Hockin
Holtmann
Horning
Hughes
James
Johnson
Kempling
Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
Martin (Lincoln)
Mazankowski
McDermid
McLean
Monteith
Nicholson
O'Kurley
Porter
Reimer
Richardson
Roy-Arcelin
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vien
Weiner
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—114

Hawkes
Hogue
Horner
Hudon
Jacques
Jelinek
Jourdenais
Landry
Layton
Littlechild
Lopez
Marin
Mayer
McCreath
McDougall (St. Paul's)
Merrithew
Moore
Oberle
Plourde
Reid
Ricard
Robitaille
Saint-Julien
Siddon
Soetens
Stevenson
Thacker
Thorkelson
Tremblay (Lotbinière)
Van De Walle
Vézina
Vincent
Wilbee
Winegard

PAIRED MEMBERS

nil/aucun

• (1715)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I declare the motion lost.

The next vote will be on Motion No. 3.

The House divided on the motion, which was negatived on the following division:

(*Division No. 451*)

YEAS

Members

Allmand
Assad
Baker
Bevilacqua
Caccia
Catterall
Copps
Dingwall
Duceppe
Ferguson
Fontana
Gaffney
Gérin
Guarnieri
Jordan
Kilger (Stormont—Dundas)
Kindy
Leblanc (Longueuil)
Maheu

Arseneault
Axworthy (Winnipeg South Centre)
Berger
Boudria
Campbell (South West Nova)
Clancy
Crawford
Dionne
Duhamel
Flis
Foster
Gagliano
Grey (Beaver River)
Harb
Keyes
Kilgour (Edmonton Southeast)
LeBlanc (Cape Breton Highlands—Canso)
Lee
Manley

Marleau
Milliken
Pagtakhan
Phinney
Plamondon
Rideout
Stewart
Venne
Wappel

Mifflin
Mills
Peterson
Pickard
Prud'homme
Simmons
Vanclief
Volpe
Young (Acadie—Bathurst)—56

NAYS

Members

Althouse
Andre
Atkinson
Axworthy (Saskatoon—Clark's Crossing)
Benjamin
Bird
Black
Blackburn (Jonquière)
Blais
Bouchard (Roberval)
Brightwell
Butland
Casey
Clark (Brandon—Souris)
Cooper
Corbett
Couture
Danis
de Cotret
Della Noce
Dick
Dorin
Edwards
Feltham
Fisher
Friesen
Gibeau
Greene
Halliday
Hawkes
Hockin
Holtmann
Horning
Hughes
Jacques
Jelinek
Jourdenais
Kempling
Landry
Laporte
Layton
Littlechild
Lopez
Marin
Mayer
McCreath
McDermid
McLaughlin
Merrithew
Monteith
Nicholson
Oberle
Parker
Porter
Reimer
Richardson
Robinson
Rodriguez
Saint-Julien
Siddon
Sobeski
Sparrow
Tardif
Thacker
Thorkelson

Anderson
Angus
Attewell
Belsher
Bertrand
Bjornson
Blackburn (Brant)
Blaikie
Blenkarn
Brewin
Browes
Cadieux
Chadwick
Cole
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Jong
Desjardins
Dobbie
Duplessis
Fee
Ferland
Fontaine
Fulton
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Edmonton East)
Heap
Hogue
Horner
Hudon
Hunter
James
Johnson
Karpoff
Kristiansen
Langan (Mission—Coquitlam)
Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
Martin (Lincoln)
Mazankowski
McCurdy
McDougall (St. Paul's)
McLean
Mitchell
Moore
Nystrom
O'Kurley
Plourde
Reid
Ricard
Riis
Robitaille
Roy-Arcelin
Shields
Skelly (Comox—Alberni)
Soetens
Stevenson
Taylor
Thompson
Tremblay (Québec-Est)

Tremblay (Lotbinière)
Van De Walle
Vézina
Vincent
Whittaker
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy
Valcourt
Vankoughnet
Vien
Weiner
Wilbee
Winegard
Young (Beaches—Woodbine)—145

PAIRED MEMBERS

nil/aucun

The Acting Speaker (Mr. DeBlois): I declare the motion lost.

The next vote will be on Motion No. 4.

Mr. Gagliano: Mr. Speaker, I think you will find unanimous consent in the Chamber to apply the vote on Motion No. 1 but in reverse to Motion No. 4 as well as to the motion at report stage.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some hon. members: Agreed.

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

(Division No. 452)

YEAS

Members

Anderson
Atkinson
Belsher
Bird
Blackburn (Jonquière)
Blenkarn
Brightwell
Cadieux
Chadwick
Cole
Corbeil
Côté
Crosbie (St. John's West)
Darling
Della Noce
Dick
Dorin
Edwards
Feltham
Fontaine
Gibeau
Greene
Halliday
Hockin
Holtmann
Horning
Hughes
James
Johnson
Kempling
Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
Martin (Lincoln)
Andre
Attewell
Bertrand
Bjornson
Blais
Bouchard (Roberval)
Browes
Casey
Clark (Brandon—Souris)
Cooper
Corbett
Couture
Danis
de Cotret
Desjardins
Dobbie
Duplessis
Fee
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Hawkes
Hogue
Horner
Hudon
Jacques
Jelinek
Jourdenais
Landry
Layton
Littlechild
Lopez
Marin
Mayer
Mazankowski
McDermid
McLean
Monteith
Nicholson
O'Kurley
Porter
Reimer
Richardson
Roy-Arcelin
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vien
Weiner
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—114
McCreath
McDougall (St. Paul's)
Merrithew
Moore
Oberle
Plourde
Reid
Ricard
Robitaille
Saint-Julien
Siddon
Soetens
Stevenson
Thacker
Thorkelson
Tremblay (Lotbinière)
Van De Walle
Vézina
Vincent
Wilbee
Winegard

NAYS

Members

Allmand
Angus
Assad
Axworthy (Winnipeg South Centre)
Benjamin
Bevilacqua
Blackburn (Brant)
Boudria
Butland
Campbell (South West Nova)
Clancy
Crawford
Dingwall
Duceppe
Ferguson
Flis
Foster
Funk
Gagliano
Grey (Beaver River)
Harb
Heap
Jordan
Keyes
Kilgour (Edmonton Southeast)
Kristiansen
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
Lee
Manley
McCurdy
Mifflin
Mills
Nystrom
Parker
Phinney
Plamondon
Rideout
Robinson
Simmons
Stewart
Vanclief
Volpe
Whittaker
Young (Beaches—Woodbine)—89
Althouse
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Baker
Berger
Black
Blaikie
Brewin
Caccia
Catterall
Copps
de Jong
Dionne
Duhamel
Fisher
Fontana
Fulton
Gaffney
Gérin
Guarnieri
Harvey (Edmonton East)
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kindy
Langan (Mission—Coquitlam)
Laporte
Leblanc (Longueuil)
Maheu
Marleau
McLaughlin
Milliken
Mitchell
Pagtakhan
Peterson
Pickard
Prud'homme
Riis
Rodriguez
Skelly (Comox—Alberni)
Taylor
Venne
Wappel
Young (Acadie—Bathurst)

PAIRED MEMBERS

nil/aucun

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved that the bill be concurred in.

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

(Division No. 453)

YEAS

Members

Anderson
Atkinson
Belsher
Bird
Blackburn (Jonquière)
Blenkarn
Brightwell
Cadieux
Chadwick
Cole
Corbeil
Côté
Crosbie (St. John's West)
Darling
Della Noce
Dick
Dorin
Edwards
Feltham
Fontaine
Gibeau
Greene
Halliday
Hockin
Holtmann
Horning
Hughes
James
Johnson
Kempling
Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
Martin (Lincoln)
Mazankowski
McDermid
McLean
Monteith
Nicholson
O'Kurley
Porter
Reimer
Richardson
Roy-Arcelin
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vien
Weiner
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—114

Andre
Attewell
Bertrand
Bjornson
Blais
Bouchard (Roberval)
Browes
Casey
Clark (Brandon—Souris)
Cooper
Corbett
Couture
Danis
de Cotret
Desjardins
Dobbie
Duplessis
Fee
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Hawkes
Hogue
Horner
Hudon
Jacques
Jelinek
Jourdenais
Landry
Layton
Littlechild
Lopez
Marin
Mayer
McCreath
McDougall (St. Paul's)
Merrithew
Moore
Oberle
Plourde
Reid
Ricard
Robitaille
Saint-Julien
Siddon
Soetens
Stevenson
Thacker
Thorkelson
Tremblay (Lotbinière)
Van De Walle
Vézina
Vincent
Wilbee
Winegard

NAYS

Members

Allmand
Angus
Assad
Axworthy (Winnipeg South Centre)
Benjamin
Bevilacqua
Blackburn (Brant)
Boudria
Butland
Campbell (South West Nova)
Clancy
Crawford
Dingwall
Duceppe
Ferguson
Flis
Foster
Funk
Gagliano
Grey (Beaver River)
Harb
Heap
Jordan
Keyes
Kilgour (Edmonton Southeast)
Kristiansen
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
Lee
Manley
McCurdy
Mifflin
Mills
Nystrom
Parker
Phinney
Plamondon
Rideout
Robinson
Simmons
Stewart
Vanclief
Volpe
Whittaker
Young (Beaches—Woodbine)—89

Althouse
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Baker
Berger
Black
Blaikie
Brewin
Caccia
Catterall
Copps
de Jong
Dionne
Duhamel
Fisher
Fontana
Fulton
Gaffney
Gérin
Guarnieri
Harvey (Edmonton East)
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kindy
Langan (Mission—Coquitlam)
Laporte
Leblanc (Longueuil)
Maheu
Marleau
McLaughlin
Milliken
Mitchell
Pagtakhan
Peterson
Pickard
Prud'homme
Riis
Rodriguez
Skelly (Comox—Alberni)
Taylor
Venne
Wappel
Young (Acadie—Bathurst)

PAIRED MEMBERS

nil/aucun

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

[*English*]

It being 5.25 p.m., pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CHILD CARE

NATIONAL OBJECTIVES

Ms. Dawn Black (New Westminster—Burnaby) moved:

That, in the opinion of this House, the government should incorporate the following national objectives in all of its child care initiatives:

1. child care services should be licensed and regulated so that they apply the highest standards consistent with current knowledge of early childhood development;

2. cost should not be a barrier to access to child care services;

3. child care services should be universally accessible, irrespective of a person's income, employment status or geographic location;

4. child care services should be comprehensive enough to offer services for infants, pre-schoolers, school-age children, and children with special needs, and be culturally sensitive;

5. child care services should be flexible enough to accommodate the demand for full-time, part-time, seasonal, shift and occasional services;

6. child care services should be operated on a non-profit basis.

She said: Mr. Speaker, I rise today to call for a national child care program which is accessible, affordable, comprehensive, culturally sensitive, of good quality, flexible and non-profit. Yes, that is a tall order, but it is an essential goal.

• (1730)

Many may lead us to believe that such a program is impossible but that does not explain how a number of European countries have achieved comprehensive, publicly funded national child care programs, some of which even include allowances for homemakers who raise small children full time.

Unlike most other developed affluent nations, Canada does not have a system of child care. Child care in Canada has developed in a haphazard manner driven by market forces.

Child care is a women's rights issue. The royal commission on equality and employment reported in 1984 that child care is the ramp that provides equal access to the work force for mothers.

In our society women are primarily responsible for child-rearing. This has resulted in the incredible poverty of older women who do not have pensions built up in their own name. It has also resulted in inequality between women and men workers. Our society must come to terms with blending work and family responsibilities in a way that does not penalize either the mother at home or the mother in the paid work force.

In 1990 Canada signed the UN Convention on the Rights of the Child. Child care is recognized in that convention as a significant children's rights issue. Every child has the right to adequate care either by a parent or by another caregiver.

France has an extensive and well-funded system of child care and women's equality is not used to justify it. They consider what is best for the children. Child care is a family issue. It should be there for parents who want or need to do paid work and to provide respite care for those at home who are child care workers 24 hours a day, seven days a week.

The Vanier Institute for the Family estimates that 1.3 million Canadian children are in need of child care. Yet there are only 300,000 licensed child care spaces in the entire country.

Child care is a social policy issue. Child care is a way to identify and to help abused children and to provide educational and other resources and opportunities for poor children that their parents are not able to afford.

Child care is an economic issue. It is an investment in a skilled and educated work force. It is about time government and employers realized that the majority of workers are parents and that the future workers and citizens may now be growing up with inadequate care that will have a major and long lasting impact on the future of our country.

Child care is an important issue, one which this government and the Liberals when in power have chosen to ignore. Even during these times of economic hardship the New Democrat governments in both British Columbia and Ontario have invested in the creation of new licensed child care spaces.

Canadian families have changed. Children are being raised in smaller families. This means fewer siblings and fewer aunts and uncles to care for children. Families are more mobile. Over 16 per cent of the Canadian population are immigrants. This means that parents and

children may not live in the same city as their grandparents and other family members, or they may have no extended families or strong networks of people who can care for their children while they financially support them.

Before the 1980s the paid labour force participation rates for mothers of pre-school children were lower than that for all other women. Now the rate for mothers of pre-schoolers has surpassed the paid labour force participation rate of all women.

The 1992 Canadian national child care study found that over half the families with pre-school children were dual earner couples or employed sole support parents.

It is harder to make ends meet these days and it is becoming impossible to raise a family on one income. Wages have not kept pace with inflation. Taxes have increased while services have been cut. The number of women raising children on their own has risen, both due to divorce and to the fact that many young, unmarried mothers choose to raise their children themselves.

I want to go through each point of my motion. First, child care must be of good quality. Child development research shows that the quality of care children receive has a profound effect on their future development. Some unregulated, informal or private arrangements may suit all parties; for instance, sometimes a grandmother who cares for her grandchildren while her daughter or son is in the paid work force. Sometimes for some families that works and it is a positive arrangement. She may be a good, experienced caregiver who has a lot of love and wisdom to share.

• (1735)

We have all heard the horror stories of other types of unlicensed care such as the alleged sexual abuse ring, run from an unlicensed, unregulated child care centre in Martensville, Saskatchewan. Abuse can also be a problem in unregulated care provided by friends or relatives.

A child is most likely to be abused by someone they know, by a friend, a family friend or a relative, than by anyone else. We must ensure that all Canadian children are being cared for in conditions which do not hurt their health, imperil their safety or close their minds. That means good staff-child ratios so that caregivers can interact frequently with each individual child. It means fair wages, benefits and working conditions for child care workers so they do not burn out and a child can count on having the same caregiver for a period of several years. It means a physical environment which is safe and pleasant where kids can get fresh air. It means training in early childhood education for caregivers so they can structure programs appropriate for children's developmental levels.

When compared to France, Denmark, Sweden or Italy, Canadian child care is substandard on many counts and particularly deficient in staff training requirements. Not only must we have standards for care of our most important resource, our children, but those standards must be enforced.

Second, child care must be affordable. Since 1966 child care has been funded through the Canada Assistance Plan which is essentially a welfare program. The government has talked about giving parents choices, but currently many parents have no choice. They do not qualify for a subsidy, but cannot afford the full fees for care. Child care costs can take up almost all or a majority of a woman's yearly salary. A family with a pre-school child and one school age child can pay up to $12,000 a year for child care costs alone. It means a woman can end up working for $5,000, $6,000 or $7,000 a year after she has paid her child care costs.

The crying shame of this is that there are empty child care spaces out there that no one can afford and yet the line for subsidized child care spaces can be over a year long. That is a year when a parent must stay out of the paid work force or on welfare. Because of the shortage and ineligibility of many families for subsidized regulated spaces, many families are forced to turn to informal arrangements which can be unstable and for which they may not be able to get receipts to deduct on their income tax. Studies have found that unregulated arrangements have a high turnover rate which means the child is shunted about to a different caregiver every few months. People must have the option of affordable licensed child care.

Third, child care must be accessible regardless of income, employment status or geographic location. In Canada today, child care is simply not available in many rural areas, while both parents may be busy working on a farm or one is working in town while the other is working on the farm. Licensed child care is not accessible in Canada. Many families do not qualify for a subsidy and

yet cannot afford the enormous costs of child care. The gap between the availability of licensed child care and the number of mothers in the paid labour force has been widening over the past decade until it has become a huge gulf. By 1990 there were 500,000 more children under 13 with a mother in the paid labour force for whom there was no more regulated child care than there was in 1983.

Fourth, child care must be comprehensive, culturally sensitive and be able to deal with special needs. Cultural sensitivity, training and screening should be a part of staff training and hiring. No child should go to child care and come out of that child care centre with a lack of self-esteem.

Aboriginal communities face a particular challenge in terms of instilling knowledge and respect of traditional language, customs, values and spirituality. Aboriginal child care must be controlled by aboriginal communities.

• (1740)

Fifth, child care must be flexible enough so that it can be used on a full, part-time or occasional basis or seasonally or by shift workers.

I had three children in two years. I know what it is like to be at home in a low income, one income family trying to deal with the needs of three very small children, one of whom was critically ill. Parents who are in that position must have the availability of respite so that they can have care for their children and continue to have their young children socially interact with other children and move out of their own home environment for the health of both the parents and the children.

The Canadian national child care study reported last year that 55 per cent of parents with paid employment did not have a standard work schedule, that is Monday to Friday with no evening or weekend work. Yet most child care centres are only open from 8 a.m. to 6 p.m. or fewer hours. What care is there for children whose parents must work shift work? The need for flexible child care cannot be underestimated.

Why should taxpayers be paying good money for a child care centre's owner's profit rather than putting it directly into good nutrition and educational resources for children? There is a body of research that shows that commercial child care is on average of poorer quality than non-profit child care in the areas of child-staff ratios, staff training, staff turnover and wages and benefits.

Far from giving parents an increased choice most parents trying to find child care have little choice but to take whatever is available unless they are wealthy enough to be able to shop around.

Choice in child care is a myth. Many choices for families are constrained by economics in more ways than one. Some women who are in the paid work force would prefer to be at home with their young children. Some women who are at home being supported by a partner or on welfare or living on small savings would prefer to be in the paid labour force but are constrained by the lack of child care.

They cannot go to school. They cannot go for training or retraining. They cannot look for work. They cannot accept work because there is no alternative care for their children.

We are living in Canada in a society with a declining birth rate. The 1986 task force on child care known as the Katie Cooke task force reported that people wrote to them saying that the lack of parental leave and child care had directly affected their own child bearing decisions not to become parents. Our society does not acknowledge the work women do in the home and consequently underpays child care workers as well.

Many child care workers particularly in regulated non-profit centres have degrees or certificates in early childhood education, experience, patience, responsibility and love and they are paid much less than many male workers in jobs that require less education and certainly less responsibility.

This government and the Liberals when in power have chosen to avoid the fact of the increased need for affordable child care until it has now reached crisis proportions.

As a society we will prosper or decline based on how we collectively care for our children and on what opportunities they have to learn and to grow and to receive adequate nutrition and care. These early years are very important in shaping the health and abilities of our future society. We cannot afford to overlook it or to shrug it off just because pre-schoolers cannot write letters to members of Parliament or lobby or demonstrate on the lawns of Parliament Hill.

In 1970 the Royal Commission on the Status of Women said of child care that we are faced with a situation that demands immediate action. That was in 1970. Twenty-three years later nothing at all has changed except that federal child care funding contributions to the Canada Assistance Plan have been capped which is choking the ability of the provinces to pay for child care and a Child Care Initiatives Fund was set up to fund research in innovative projects only to be cut back twice by millions of dollars.

The Family Allowance Program was a way that Canadian society recognized albeit in a small way the contribution made to society by those who raise children. That program was eliminated.

• (1745)

We are still faced with attitudes like that of the Conservative member of Parliament from Fraser Valley West who recently said that child care centres are: "little more than temporary orphanages".

The Liberals had 14 years to act and they did absolutely nothing except study the issue. The time to act has long passed. Let us join together now with parents and with communities to build a comprehensive child care system which also recognizes and values the contributions of parents in the home and a child care system on which to base our future as a nation.

Canadian women and Canadian families are in desperate need of licensed child care in this country. They are very tired and very fed up with a government that continues to spend money on big-ticket items like $5.8 billion for 50 helicopters at the expense of our nation's children.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, children are our future. Everyone agrees on that.

How we care for children today, the support they get from their parents, teachers, community leaders and governments, will determine the success of our society later on. Today's children will be tomorrow's grown-ups. They will have to look after their own children's education while earning a living and paying taxes.

The family unit has changed considerably over the years. Nowadays, both parents generally have jobs out of their home. It is an economic necessity.

Statistics Canada 1991 census shows that 69 per cent of women with young children are in the work force, compared to 49 per cent a decade ago, in 1981.

This represents a radical change which has a major impact on how our society is organized, from business hours to flexible work schedules, from our social support networks to the kind of child care services available.

Child care and education are two of the most important aspects of a nation's social policy. We are glad to live in a privileged country. In most cases our children are raised in a loving environment and they are well fed. They are provided with the support and social skills they need to grow into responsible adults. Parents should be proud of their children's successes and accomplishments in spite of the increasing pressures being put on modern families.

Not all children live under the same conditions however. Some children suffer from malnutrition and infantile diseases and do not receive quality health care. So, government has to give priority to these children and situations.

Faced with limited financial resources and competing demands, government was forced to make a choice in 1992. It had to chose between providing a national child care program, investing loads of money in a government plan aimed at all the children or working together with its partners to provide immediate assistance to those who are the most vulnerable. The government chose the latter.

Last year the Minister of National Health and Welfare announced Canada's action plan for children entitled Brighter Futures. This is an extensive strategy dealing with prevention, promotion, protection and community action for our children.

The new child benefit was a major feature of Brighter Futures. This benefit combined the family allowance, the child tax credit and the dependant child tax credit and increased payments by $2.1 billion over a five-year period.

The child tax benefit also introduced a new earned-income supplement of up to $500 per family in recognition of the additional education costs faced by working families.

• (1750)

The child development initiative, Brighter Futures, is a $500-million program aimed particularly at vulnerable children. The federal government recognizes the importance of prevention. It wants to ensure that we look as early as possible after kids who are most likely to become sick or socially disadvantaged. The child development initiative is also targeted to parents at the community level. It enables them to acquire the necessary skills to raise their children even better.

Even though the government chose to direct additional money to children at risk rather than to child care services, it still supports the day care program. In fact, the amount spent by the federal government on day care services has quadrupled since 1984; it has gone from $250 million in 1984 to more than $1 billion last year. The government still supports this initiative.

For parents who work outside the home we have increased the maximum child care expense deduction on their income tax return starting with the current tax year. It goes up from $4,000 to $5,000 for each child under 7 or with special needs. For other eligible children the maximum deduction was raised from $2,000 to $3,000.

The government particularly looks after the need for child care services of parents taking training courses or trying to get off welfare. Employment and Immigration Canada makes payments totalling $75 million to trainees who need child care services.

Under the Canada Assistance Plan the federal government gives some $275 million a year to the provinces and territories to reserve day care spaces for low-income families.

Moreover, the federal government is a leader in national issues related to child care services through the Child Care Initiatives Fund. Since 1988 we have contributed more than $74 million for 468 national, regional and aboriginal projects.

All the programs which I mentioned, namely the child care expense deduction, the dependent allowances paid through CEIC training programs, the sharing of day care costs through the Canada Assistance Plan and the Child Care Initiatives Fund still exist. In fact they have been improved or expanded since this government came to power.

It is inaccurate to say that our government spends less on daycare. We may not be spending enough according to some, and we may not be able to take on all these expenses.

Just like today's families, the government is facing new realities. We cannot ask our children to bear the debt resulting from new spending programs. There should be a return on each dollar that we spend today.

This is why we are concentrating our efforts on vulnerable children. And let us not forget that the federal government helps children and their families through many other programs on protecting and promoting health, family violence, Canada's Drug Strategy and the environment. The federal government also supports the provincial and territorial programs on health, welfare and social services through tax transfers such as Established Programs Financing and the Canada Assistance Plan.

In spite of what our critics might say this government has not abandoned the children of Canada, their families or the day care program. We continue to meet the needs of all children. However we have increased our resources to help the neediest children especially.

We want to help those children and to do so we must reach their parents. Young parents, especially single mothers, must gain the necessary basic skills to be able to feed their children properly. These mothers need help to get training so that they no longer depend on social assistance. It is a mistake to believe that single mothers who are on welfare do not want to be independent and take care of their children on their own.

• (1755)

That is why we stress how important it is to help families to become financially independent. To this end, we have added the earned income supplement to the child tax benefit in order to further help the working, low income families.

One must also recognize that governments cannot bear the entire responsibility. The time has come to demand that employers take more steps to meet the needs of their employees. An adequate social policy would be greatly appreciated by their workers and their

children and would be considered a good business decision.

We recognize that more must be done to allow all Canadians and in particular those who care for children to be able to be active members of society. We are committed to helping families escape the welfare merry-go-round.

It is probably the best hope we can give their children for a brighter future. These families will be able to state proudly that they can afford to support their children. In turn, their children will also feel that same pride and self-confidence which breeds autonomy. With the help of governments, social service agencies, communities and other partners this is the hope we can give all our children.

[*English*]

Ms. Mary Clancy (Halifax): Mr. Speaker, it is my very great pleasure to support this motion this evening. Before I get into my support of this motion, I cannot allow the remarks of the hon. member for Louis-Hébert to go unremarked. Indeed they were remarkable. They were remarkable with the greatest of respect for the hon. member in their sheer tommy-rotness if there is such a word.

I heard the hon. member say that one of the reasons the government has not instituted a national child care program is because it would cost too much money. I quote the hon. member, translating freely, that we cannot ask our children to bear the burden of the debt of the expenditures that we authorize today.

That is a noble sentiment in some categories, but when one million Canadian children today are latch-key children, are without care for a significant portion of their day, I bet if we asked them, they might not mind so much paying off that debt somewhere down the road. That is the disgrace we face in this country today.

The second thing I want to say about all this is I want to hearken back to the royal commission on employment equity chaired by, as she is now, Madam Justice Rosalie Abella of the appeal division of the Supreme Court of Ontario. There was a sentence in that report which should be carved in stone on every public building in this country. It perhaps should be carved in the stone of the heads of some of our colleagues. Those words are that child care is the bridge to employment equity.

I will go a step further because I suspect that most child care advocates, most women and most thinking men would agree with me that child care is the major bridge to gender equality in this country. Rightly or wrongly the major care givers for children are women. It is an unfortunate imbalance in the division of labour because both fathers and children would benefit greatly from more contact. That is a topic for another debate on another day.

In our society, indeed in western society and in the world society today, women are the care givers for children. If women are going to be able to take their full place in the labour force, if women are going to be able to work with a sense of security about their families, what great leap of logic does it take to say they must have adequate, accessible, affordable child care. I do not think you need an Einstein to set out that particular premise. We all know that is the case and the time has come to do something about it.

• (1800)

I realize my time is truncated. I have one minute so I will make the best of it. I will say that I agree with every single one of the six segments of my colleague's motion, but I want to speak most particularly, in the limited time available to me, about the question of child care services operating on a non-profit basis. This is something that we have traditionally done in this country—

Mr. Shields: I rise on a point of order, Mr. Speaker. I hate to interrupt my friend but I have to do this before six o'clock. I would ask consent of the House, and I think there have been discussions, that if during the late show we are called to the other place for royal assent that we suspend the late show to accommodate this and then resume the late show after royal assent is completed. I wonder if I could seek the unanimous consent of the House for this.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

NATIONAL DEFENCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise on a follow-up to a question I asked the Minister of National Defence on February 22. It was a question on peacekeeping of great concern to me.

The point I made in my question was the concern I had at that time, in consultation with other members of Parliament and as a result of some hearings in the Standing Committee on National Defence and Veterans Affairs, with the growing dependence of the Canadian forces on reserve forces. It was the result of what I believe was the overcommitment taken on by the government for peacekeeping around the world.

This is a very judgmental thing. I raised the question with the minister and she really did not answer it. She gave me a lecture on what the Canadian forces were doing and talked about the perspective of international affairs. I am going to quote here what she did say. She said:

> In some instances we have deployed people where the United Nations has regarded our services of greater urgency than where they were at that particular time.

I was not sure what she meant by that. The minister went on to say that the Canadian forces were designed to meet domestic concerns and security concerns. I did not need the minister to tell me that. She continued:

> When they are not needed on active deployment we make them available to the United Nations. This incurs costs to the Canadian people.

The minister was not entirely right there. My understanding is that there is a commitment and a contingency in the planning process to commit *x* number of peacekeepers. I know at one point in time that was roughly 2,000 when we had a larger force of soldiers by 4,000.

I realize that we are going to reduce our commitment to Cyprus and there is some juxtapositioning going on regarding the deployment of troops. However, there are two points I want to make in this late show.

It is now March 30 and I am seeing more and more experts saying that a 50 per cent ratio—in fact in the case of the battalion relieving in Croatia which is under way right now—we are looking at 55 per cent of the force being reservists. I have the greatest admiration, belief and faith in reserves. I have always been for the total force concept. In fact I was very much involved in making the naval reserves part of the over-all total force concept in the navy. However in this particular case 55 per cent is way out of whack.

It is not me saying that. I was saying it on February 22, but in the latter days of this month of March no less than four experts are saying that 50 per cent is too much. They are saying that we are endangering our peacekeepers and we are doing things that we should not be doing. A recognized expert says that 10 per cent is about right. Whether it is 10 per cent, 5 per cent or 20 per cent, the fact is that 50 per cent is too much.

• (1805)

We have 60,000 peacekeepers deployed in the world today. Canada has 4,800 and that represents 8 per cent. We make up one-half of 1 per cent of the world's population. I think we are doing at least our share. One could argue we are doing more than our share.

My talking in the late show is not going to really achieve very much. I will get a response from the parliamentary secretary and then we will get on with other business. However, before we have any further commitment to United Nations peacekeeping operations, as they are not necessarily the old, low intensity peacekeeping operations that we knew in the past, we need to have a debate in this House. That is the point I was making to the minister and she missed it.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, on behalf of the Minister of National Defence, I would like to thank the hon. member for his question. As

is his custom, the hon. member has once again shown his interest in the welfare of those who serve in the Canadian forces, a concern shared I am sure by all members of this House. First of all, I would like to talk about some specific points and then comment on some more general ones.

Although important, our participation in United Nations peacekeeping operations in only one aspect of our defence policy. It is an aspect of our activities that is a source of great pride among members of the Canadian Forces and contributes every day to increasing Canada's international reputation as one of the greatest supporters of the United Nations.

The Canadian forces now have sufficient resources to meet their obligations in peacekeeping operations. Although we are near our limit, the Canadian forces are still able to do their duty with the same professionalism and dedication that we have witnessed over the past 40 years.

Canadian troops are deployed in United Nations peacekeeping operations with the same care and attention that we have always shown in deploying our troops, whether in exercises or operations abroad. Canada maintains command of all its forces that are deployed in United Nations peacekeeping missions.

The question of our troops' safety was also raised, particularly concerning the type of armored vehicles that we use in Bosnia-Herzegovina.

* * *

[*English*]

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

• (1825)

[*Translation*]

And being returned:

The Acting Speaker (M. DeBlois): I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

> Bill C-119, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending the 31st March, 1993—Chapter 9
>
> Bill C-120, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending the 31st March, 1994—Chapter 10
>
> Bill C-104, an act respecting an agreement regarding treaty land entitlement in Saskatchewan entered into on September 22, 1992 among Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of Saskatchewan and the Keeseekoose, Muskowekwan, Ochapowace, Okanese, Piapot, Star Blanket, Yellowquill, Beardy's & Okemasis, Flying Dust, Little Pine, Moosomin, Mosquito Grizzly Bear's Head, Muskeg Lake, One Arrow, Pelican Lake, Red Pheasant, Saulteaux, Sweetgrass, Thunderchild, Witchekan Lake, Canoe Lake and English River bands, and respecting an agreement regarding treaty land entitlement in Saskatchewan entered into on September 23, 1992 among Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of Saskatchewan and the Nekaneet band—Chapter 11.

The Acting Speaker (M. DeBlois): The hon. member for Louis-Hébert has twenty seconds at most to complete her answer.

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development): Mr. Speaker, I doubt that I will be able, in 20 seconds, to briefly answer all the questions raised by the hon. member, though I am willing to try, if he is willing to listen.

[*English*]

SOVEREIGN LIFE INSURANCE COMPANY

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I rise to seek answers from the Minister of Finance regarding what would appear to be a serious injustice done by his office and officials to the Sovereign Life Insurance Company, its employees and policy holders.

Last February 5, I asked the minister to tell the House precisely why the government had shut down the only federally regulated life insurance company in Calgary. Perhaps the parliamentary secretary will respond today. The junior minister certainly did not adequately answer then.

It would appear the minister's seizure of Sovereign Life on December 21, 1992 was based on grossly defective and irresponsible information his office received from the Office of the Superintendent of Financial Institutions, OSFI.

The Minister of State for Finance was present on November 30, 1992 when the company asked for an 80-day extension to produce audited 1992 financial statements and an unqualified actuarial opinion. He also had an independent actuarial opinion that the extension was warranted.

The actuaries, both highly respected individuals and one of whom used to be a member of this House, concluded as follows: If Sovereign were seized and liquidated, thousands of policy holders would incur losses; the company's position at the end of 1992 would be more favourable than indicated in the provisional actuarial opinion of November 11, 1992; and the only signed opinion the minister had before him on December 13, 1992 was that by the OSFI's own solvency test, "the MCCSR", Sovereign would be solvent at the end of 1992 and would improve its position during 1993. The OSFI significantly refused to provide any signed actuarial opinion.

The December 31, 1991 financial statement of Sovereign contained a $40 million error which was later adjusted in Sovereign's favour. At all times there were excess resources of $52 million. Does the minister or government dispute this? I think not.

The finance minister was not even present when Alan Graham, the former owner of Sovereign Life, made his presentation to the junior finance minister.

Despite a requirement of the relevant legislation, the senior finance minister subsequently ordered the company to be seized. It is the first time in 100 years a federal life insurance company had been brought down by Ottawa.

The seizure will affect about 240,000 Sovereign policy holders, 1,000 Sovereign brokers, 250 head office employees in Calgary, 300 in-house Sovereign agents. It will also affect about $810 million in company assets.

The minister's decision to take Sovereign over was appealed to the federal government on December 23. Has the government failed to file a response because there is no real response?

Sovereign was supposed to have its day in court today, but when an Alberta Court of Queen's Bench justice ruled to delay the legal action of the federal government until next September, Mr. Graham reportedly decided to turn to the Federal Court.

Why did this government attempt to have dismissed the shareholder action in Calgary seeking the right to represent Sovereign Life in the Federal Court in pursuing a claim for damages against the government agencies involved? Is this government afraid of the truth on this matter?

Finally, whatever might transpire in the courts will not alter the fact that the government has made another grave public policy error. What does the government intend to do to minimize the damage this grossly irresponsible action has done to a major financial institution in western Canada?

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is a pleasure to answer the question asked on February 5 by the hon. member for Edmonton Southeast on the Sovereign Life Insurance Company.

On December 21, 1992 the Finance minister, after a report by the Superintendent of Financial Institutions to the effect that the assets of Sovereign were not adequate to properly protect its policy holders and creditors and, after the company was given the opportunity to state its case, ordered that the Sovereign Life Insurance Company be placed under the control of the Superintendent of Financial Institutions.

The minister and the Superintendent acted promptly to preserve the assets and the residual value of this company for the benefit of policy holders. They both acted in accordance with their responsibilities under the Insurance Companies Act.

• (1830)

Before deciding to shut down the company considerable efforts were put into finding an investor who would inject money to allow the company to carry on and provide coverage to all its clients.

Unfortunately no one made a firm commitment to invest a larger amount of money and the Canadian Life and Health Insurance Compensation Corporation, an organization similar to CDIC but financed by the industry, did not take part in an assistance program to make the merger easier. The main responsibility of the minister and the superintendent is to protect those who entrusted Canadian financial institutions with their assets.

The Office of the Superintendent of Financial Institutions regulates about 175 life insurance companies. It has been doing so for a long time.

As far as the Sovereign Life Insurance Company is concerned, the company's finances were assessed by the Office of the Superintendent of Financial Institutions and its report did not match assessments made by the company itself. After going through the accounting records potential buyers were not as optimistic about the financial situation of the company. That would explain why no other prospective buyer was to be found.

EMPLOYMENT

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, on February 11, when we were debating the Unemployment Insurance bill, the hon. member for Laval–Est said, and I quote: "I have reported some myself and I am still alive. I am fed up with paying taxes and giving to the poor. I want everybody to be rich because if I am surrounded by poor people, some day they will steal from me or kill me."

That was a remark, as I said before, supposedly made by the hon. member for Laval–Est.

He made another remark, speaking in English, and I quote:

[*English*]

"It is the cheapest way and it is the best way to police a system. We can keep it confidential. You do not have to identify yourself. You just report to the government a neighbour or a friend".

My purpose on that particular day was to try to determine whether or not those particular quotations attributed to that particular member of Parliament were in fact correct, whether or not they were in line with the minister's thinking and whether or not they were government policy.

It just so happened that for some reason the Speaker of the day felt that perhaps these should not be read into the record. I felt rather badly about it because certainly I had taken them from public documents. I was not charging the member. I was simply saying it was attributed to that member. In fact the member could have risen if they were incorrect and dissociated himself from them.

In the ensuing debate the minister who was a little hot under the collar indicated and tried to denigrate the questions by suggesting that I had prepared them ahead of time and they had not heard that he had decided not to have that particular 1–800 line, often referred to as a snitch–line.

My subsequent question to that minister was, in spite of the fact that he had decided not to have that particular 1–800 number, would it be the policy of this government to encourage people to report others.

I think you can agree, Mr. Speaker, that there are some people who would take that responsibility much more seriously than others. There are some individuals unfortunately who would probably do so with a certain amount of glee. I do not like the notion of trying to encourage people from reporting others, particularly when they do not have to identify themselves.

It is quite easy to pick up the telephone and make any kind of charge, particularly when you do not have to identify yourself.

[*Translation*]

We know that this bill has now been passed by the government. I hope the government will not ask people to report their neighbours or their next of kin. I think it would be useless and dangerous to encourage such a policy since there would be no need to identify yourself and it would be so easy to do it.

[*English*]

Therefore I await the response of the parliamentary secretary with a certain amount of anticipation. I am pleased that I have an opportunity to correct the record

and I am anxious to find out what the government has to say about this particular matter.

Mr. Jack Shields (Parliamentary Secretary to Minister of Labour): Mr. Speaker, it is unfortunate that my hon. friend would bring forward and try to resurrect an issue that was a false issue in the first place because the minister at no time ever considered a so-called snitch-line. That should have put an end to all debate in this House of Commons about it.

• (1835)

I would like to take advantage of this opportunity to inform my hon. friend about some of this government's activities to get Canadians back to work.

In 1992-93 Employment and Immigration Canada is investing $3.55 billion in providing training and employment assistance for over 900,000 Canadians. For 1993-94 we are increasing the UI developmental uses budget by another $260 million, bringing it to a total of $2.21 billion and EIC's over-all expenditures on training and employment assistance to $3.8 billion. With that $3.8 billion we will be providing assistance to over one million Canadians.

In 1993 some 326,000 Canadians will receive skills training through UI developmental uses, $110 million in self-employment assistance will encourage participants in their efforts toward greater self-sufficiency, and $15 million will go to assist workers to move to other localities where they have found jobs. Over 11,000 Canadians will be assisted under these programs.

The $120 million that is now budgeted for UI job creation will assist over 31,000 unemployed workers to get back into the work force by maintaining and enhancing their skills, and $130 million in work sharing assistance will allow employers and workers to jointly manage periods of production slow-down without reverting to lay-offs. Some 160,000 Canadians will participate in this initiative.

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, tonight this brief exchange is on the North American free trade agreement, and in particular on the question of the environmental agreement that will be required if this trade agreement is to eventually become a reality.

I would like to refer more specifically to the exchange in Question Period on March 18 when I raised with the minister the question of the role of the North American commission on the environment. I urged him during that exchange to let us know whether this commission, which would be in charge of environmental management, the environment being the basis of our economy, would have powers to enforce environmental laws and standards.

The minister was visibly preoccupied with the question of sovereignty and the violation of sovereignty should such a commission become involved with enforcement of environmental standards, for instance. As often happens in exchanges in Question Period we got nowhere. It was like two trains passing by in the middle of the night.

Therefore I would like to put forward some thoughts and some possible suggestions concerning this North American commission on the environment. I will draw heavily in the two minutes available from a colloquium sponsored by the North American institute in Santa Fe, New Mexico, from February 12 to February 14 of this year.

In this report, which resulted from this symposium on the North American environment, there are a set of recommendations, the examination of which by this government would certainly be worth while. They ought to be the object of discussions by those officials who will be in charge of further deliberations in Washington with the Americans and the Mexicans.

The North American commission on the environment could play a role in regularly reviewing environmental programs of the three countries with the specific goal of strengthening and harmonizing upward environmental laws and enforcement in the three countries.

• (1840)

The same commission could have an oversight function with the help of the environmental ministries of the three governments and could also report annually to the three governments and the public.

The proposed commission should form part of the North American free trade agreement dispute resolution process when environmental questions are raised. This same commission should be institutionalized through

appropriate mechanisms and I will not go into the details of the mechanism because of lack of time.

This commission under the mandate given it by the three governments should receive references from the government to investigate and report on matters of trilateral concern. This commission in its environmental monitoring role should provide particular attention to migratory species and the protection of trans-boundary natural resources.

This is where we probably differ. This commission ought to go beyond performing a monitoring role and should have some teeth.

Mr. Jack Shields (Parliamentary Secretary to Minister of Labour): Mr. Speaker, first I would like to repeat the question that was put before the minister and it was as follows: "Will the government give its unqualified commitment that the proposed North American commission on the environment will have powers to enforce environmental laws and standards?"

The functions of the commission are still being negotiated among the three governments. At the first trilateral meeting Canada put forward proposals developed following consultations with the provincial governments, non-governmental organizations and other private-sector interests including business and labour representatives.

Our starting point is that the North American commission on the environment should strengthen trilateral co-operation and development and the enforcement of regulations to protect the environment. Our aim is to encourage the upward harmonization of environmental regulations and standards.

We also want to be confident that our respective domestic and environmental laws and regulations will be enforced. We seek a commission that respects the sovereignty of each party and at the same time provides strong assurances that domestic environmental law will be enforced and even improved over time.

The use of trade sanctions to enforce environmental standards would be a mistake. The use of trade sanctions could seriously harm vital Canadian trade and economic interests.

[*Translation*]

DAIRY INDUSTRY

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, on December 7 of last year I put a question to the Minister of Agriculture regarding the cut in subsidies to Canadian dairy farmers. That cut, although not very large, justifiably angered many dairy farmers who, over the last few years, were very concerned about the Dunkel report and the GATT negotiations. This cut just added to their anxiety, and I can understand that.

Dairy farmers are very much aware that the quota system, which is fundamental to the Canadian dairy industry, is being eroded. Not only are subsidies reduced but we can now read in various articles that a new way of measuring quotas is being sought.

Naturally quotas are extremely important and they really determine the value of a farm. The land and the buildings certainly have value, but without quotas that value is greatly reduced. Faced with this cut in subsidies the farmers would like to have an answer to this crucial question: Is the government still committed to defend and maintain milk production quotas? It is essential that dairy producers be assured that the quota system will never be jeopardized and will be kept intact. Dairy producers have to be guaranteed a certain price and not be faced every year with a cut in subsidies. We know that our dairy industry is very efficient; notwithstanding its critics, proof of that was given in the past.

In brief, the question dairy producers are asking is whether the quota system which has now existed for years and years in Canada will remain untouched? Moreover, they do not want any change without being thoroughly consulted.

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am pleased to respond to a question that was raised in this House on December 7 by the hon. member for Gatineau—La Lièvre concerning the cut in the subsidies to the dairy industry.

Mr. Speaker, you will recall that in his economic statement of December 2, 1992 the Minister of Finance stated that as part of the government effort to control the budget deficit the processed milk subsidy would be cut by 10 per cent in the next two fiscal years.

It is important to mention that there are two markets for milk in Canada: the market for milk (milk and fresh cream) and the market for industrial milk, which is used to make milk products such as butter, cheese and yoghourt. Producers get direct support payments of $ 6.03 per hectoliter of milk only for the deliveries of milk and cream required to meet domestic needs. Since the majority of producers make both fluid milk and industrial milk the cut in the federal subsidy does not affect their total production in most cases.

In times of budget restraints, tough decisions must sometimes be made. The subsidy cut would result in a decrease in revenues of no more than 60 cents per hectoliter of milk, or about 1.2 per cent. That is what the Minister of State for Agriculture answered when asked that question on December 7, 1992.

Even after this reduction, industrial milk producers will continue to receive over $200 million a year in subsidies from our government for their production of industrial milk.

How the subsidy cut will be implemented remains to be determined. It could be done in two different ways. The first possibility is to reduce the producer's target income by an amount equal to the subsidy cut. Producers would absorb the reduction and the prices of dairy products would remain unchanged.

The alternative is to increase support prices for butter and/or skim milk powder, which means that consumers would pay for the reduced subsidy. The producers' income per hectolitre would therefore remain unchanged, but the resulting price increase could have a slightly negative effect on demand for dairy products.

A third possibility would be to have producers and consumers share the impact of the lower subsidy.

I see that my time has expired. I would have liked to talk about quotas but time does not allow it.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 38(5), the motion that the House do now adjourn is deemed adopted. The House therefore stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.47 p.m..

HOUSE OF COMMONS

Wednesday, March 31, 1993

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

MINING EXPLORATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the mining exploration industry in Canada can play an important role in the economic recovery, especially in the resource regions of Canada. I ask the Department of Energy, Mines and Resources and the Department of Finance in Ottawa to take seriously the demands made by the Quebec prospectors association in December 1992.

* * *

[*English*]

ABORIGINAL LANGUAGES DAY

Ms. Ethel Blondin-Andrew (Western Arctic): Mr. Speaker, today is Aboriginal Languages Day, a proud occasion to celebrate the survival and richness of the 53 aboriginal languages spoken in Canada.

I am proud to say that the Northwest Territories has six official aboriginal languages: Chipewyan, Cree, Dogrib, Gwich'in, Inuktitut and Slavey. All six languages have equal status, rights and privileges with English and French within the NWT, including use in government services and communications.

Statistics show that 50 of Canada's 53 aboriginal languages are declining, endangered or facing extinction. In this year of indigenous peoples this government should provide the funding needed to promote language awareness and the revival of aboriginal languages in communities which are most threatened.

[*Editor's Note: Member spoke in Slavey, translated as follows:*]

[*Translation*]

The Dene language is a gift from the Creator and we must work to preserve it.

* * *

[*English*]

GOVERNMENT EXPENDITURES

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, through a number of legislative initiatives which all opposition parties have attempted to derail, the government has restrained public spending in five major areas.

It has done so by reducing the rate of growth of transfers to provinces, for instance Bill C-32 and Bill C-60; by streamlining the operations of government, for instance Bill C-20, Bill C-21, Bill C-56, Bill C-63, Bill C-69 and Bill C-93; through the privatization of Crown corporations, for instance Bill C-8, Bill C-13, and Bill C-38; by restraining the salaries of public officials, for instance, Bill C-26, Bill C-55, Bill C-76 and Bill C-113; and by restraining grants and contributions to organizations.

The result of our ongoing efforts is that since 1987 we have run the operations of government in the black.

* * *

DISABILITIES

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, using the most recent figures available, the Roeher Institute estimates disabilities cost Canada and Canadians some $19.5 billion a year. That is a lot of money and the bill goes up each year.

• (1405)

For this reason alone all levels of government, as well as business and labour, should be finding ways to co-operate in order to deal with and address these costs and the effects of disability in our society.

However we must never forget that disabilities affect Canadians where they live: in their families and in their communities. The Canadian Association of Community Living is working to ensure that mentally handicapped people can live at home, go to the local school and take a job. Allowing people with disabilities to take their rightful place as full members of our society ought to be our goal.

Independence and integration of persons with disabilities makes not only good economic sense but it respects the rights of citizens and promotes social and political values that will benefit us all.

* * *

[*Translation*]

THE LATE CLAUDE MOUTON

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, on behalf of all Canadians and all my colleagues in the House and in my own name, I wish to pay tribute to a great Canadian who died last night at the age of 61.

Mr. Mouton's contribution to the sporting and social life of Quebecers can never be forgotten. Last Saturday night, he was still behind the microphone in the Forum. When I saw him there I remarked to my wife how courageous he was.

[*English*]

It is with great admiration for him and for what he did that in the name of each and every one of us I thank him.

[*Translation*]

I speak for everyone in the House in offering his wife and children our deepest sympathy.

* * *

[*English*]

THE PREMIER OF PRINCE EDWARD ISLAND

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, I wish to congratulate a former colleague in this House, Catherine Callbeck, who on Monday made history by becoming the first woman elected premier in Canada.

Under Premier Callbeck's leadership the Liberal team won 55 per cent of the popular vote in the election and won a landslide victory with 31 seats in the legislature. In a campaign based on positive ideas and a concern for the future the Liberal Party distinguished itself.

I wish to congratulate the many fine members of the Prince Edward Island legislature. After seven years of fine Liberal government Islanders can look forward to four more years of a strong Liberal administration.

The mandate from the people is clear, and I know that Premier Callbeck is up to the task.

* * *

NATIONAL DEFICIT

Miss Deborah Grey (Beaver River): Mr. Speaker, two days ago we in the Reform Party of Canada released our plan to eliminate the federal deficit in three years and save Canada's social programs from complete collapse.

This plan has met with favourable editorials across the country. Our zero in three plan is based on: first, fairness, that federal spending reductions should be distributed fairly across all major areas of federal expenditure; second, the principle of leadership by example; and, third, the principle of priorizing social spending.

The debt has increased under Tory mismanagement from $180 billion in 1984 to $460 billion today. Thirty-two cents out of every tax dollar is being spent on interest, leaving only 68 cents for funding government programs and services.

Yet the government says its hands are tied, that there is nothing it can do about it, and deficit reduction requires constitutional amendments. The fact of the matter is that neither the Progressive Conservatives, the Liberals, nor the New Democratic Party have any plan to reduce the deficit. In fact they plan to increase spending and increase the debt.

The Reform Party is the only party that can stop the haemorrhaging and save our social safety nets.

* * *

TELECOMMUNICATIONS

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, Canada has just scored a coup. Canadians should take pride in Monday's announcement by the Financial Network Association that it had chosen Ottawa for its one-stop shopping financial data network.

The expertise of Canadian telecommunications is world renowned, and for this reason Canada is quickly becoming the nerve centre for financial information.

Telecommunications is one of the engines of growth in the Canadian economy, and the implications of this announcement are enormous. We have just been elevated to the forefront of this $30 billion a year industry.

This is good news for all Canadians and speaks well of our country's good standing within the international community.

* * *

• (1410)

[*Translation*]

THE LATE CLAUDE MOUTON AND DANNY GALLIVAN

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, last night, the Canadiens hockey team lost another of its spokesmen. Claude Mouton, the well-known announcer who worked in the Montreal Forum for the Canadiens, died at the age of 61. How can we forget Claude Mouton, in his well-known style, welcoming the Canadiens onto the ice?

Indeed, for over 21 years, Claude's voice stirred the Forum crowds.

[*English*]

Recently another legend at the Forum, hockey broadcaster Danny Gallivan, passed away. Together these two men were institutions in Montreal, and their association with sport and particularly the Montreal Canadiens was enjoyed by hockey fans across Canada.

It is only when people like Claude Mouton and Danny Gallivan leave us that we realize how much they meant to the game of hockey and to those of us who grew up listening to them.

As a former NHL official, I have fond memories of these gentlemen. I will always remember their contribution to hockey, their love for the game, the pride they took in their work and, most important, the enjoyment they provided to the fans.

S. O. 31

FEED FREIGHT ASSISTANCE PROGRAM

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, again I am urging the Department of Agriculture to accept the formula outlined by the Atlantic Farmers Council when the 10 per cent reduction is applied to the Feed Freight Assistance Program.

The current proposed formula contradicts the Feed Freight Assistance Act by abandoning the primary principle of the act, which is to ensure fair equalization of feed grain prices throughout Canada.

The impact on Atlantic Canada is 50 times as much as it is on Ontario under the present proposed plan. Also any change in the Atlantic subsidy should not take place until the same reduction takes place in the west.

The provinces do not agree with the present plan; the industry is against it; and it contradicts the principle of the act. I respectfully request that this plan not be implemented, and that it be replaced by one that is fair to all farmers.

* * *

ABORIGINAL LANGUAGES DAY

Mr. Len Taylor (The Battlefords—Meadow Lake): *Tansi.* Mr. Speaker, today, March 31, is Aboriginal Languages Day.

In March 1989 Canada's chiefs attending a special meeting of the Assembly of First Nations unanimously passed a resolution declaring March 31 of each year Aboriginal Languages Day.

The chiefs did so to promote and enhance an awareness and revival of aboriginal languages and to celebrate the survival and richness of the 53 aboriginal languages spoken in Canada.

The Assembly of First Nations is calling for the recognition of aboriginal languages in Canada during 1993, the International Year for World Indigenous Peoples.

It is time for Parliament to accept the AFN proposal and recognize the unique contribution these languages have made to Canada, as well as the essential role language plays in the maintenance and development of culture and well-being among First Nations people. *Tenaké.*

Oral Questions

ABORIGINAL LANGUAGES DAY

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, thank you for your simply outstanding presentation this morning at the national prayer breakfast. *Kinanaskomtin Daytapewkimaw.*

In 1989, recognizing the need for a day to draw attention to the fact that aboriginal languages were at risk, the chiefs of First Nations in assembly declared March 31 Aboriginal Languages Day.

As our colleague, the member for Western Arctic, said today is a day when First Nations celebrate the survival and richness of the 53 aboriginal languages spoken in Canada.

I ask this House to recognize all aboriginal languages in this International Year for World Indigenous Peoples. I also call on all First Nations to continue their dedicated efforts to ensure the survival of our languages.

The manifestation of our spirit, mind and body, the development of our positive self-esteem and pride is through the use of our own languages.

[*Editor's note: Member spoke in Cree, translated as follows:*]

[*Translation*]

Let us teach each other and use our languages the Great Spirit gave us.

* * *

[*English*]

PHARMACEUTICALS

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, today the headlines are shouting what the Liberals have suspected all along, that Canadians are paying higher prices for drugs than most industrialized countries.

What a coincidence that this damning evidence was released after the government forced Bill C-91 through Parliament. What a coincidence that a public forum to look at this evidence was held five days after, and not before, Bill C-91 was given royal assent. What a coincidence.

I have a message for this government. Its mandate is to protect the people of Canada and our health care system. Drug companies work for profit, for the bottom line.

I urge the government to roll back drug prices, to start working for Canadians and for medicare, and not to let drug company bottom lines call the tune to which the government dances.

* * *

CAPITAL PUNISHMENT

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I am in the process of filing a petition with 150,000 signatures requesting that this government deal with the issue of penalties for child molesters and child murderers.

• (1415)

These individuals believe that the people's voice to reinstate capital punishment should be heard. This government has avoided dealing with criminals who commit such heinous and immoral crimes.

Mrs. Barbara Wiebe of Calgary and her friends and colleagues have done an extraordinary job in co-ordinating and collecting signatures. I would like to take this opportunity to thank Mrs. Wiebe and all those involved in this massive effort.

In memory of Shannon Dawn Morrissette-Bird and all children who have suffered at the hands of others, I urge the government to introduce legislation to deal with these criminals.

ORAL QUESTION PERIOD

[*English*]

WESTRAY COAL MINE

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, on May 20, 1992, just a few days after the Westray coal mine blast claimed the lives of 26 men, the Minister of State for Small Businesses and Tourism stated: "What we will do of course is bring forward all the appropriate information as soon as possible". All the information. That is what the minister said then.

Yesterday senior legal counsel to the judicial inquiry in Nova Scotia was compelled to state publicly that this government, this minister, had declined to release the documents.

After almost one full year of stonewalling Parliament and hiding vital information from Canadians, will the minister now stand in his place, do the right thing and admit that he misled Parliament?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am going to stand in my place and make it very clear to this House that the hon. member has misled Parliament.

Yesterday the commission counsel made the following comment: "The inquiry does have an incomplete copy of the CANMET report which is obtained from a source other than the federal government". I stood in the House and said that this was not the case and that they in fact had received the CANMET report in its entirety.

I have just received a letter from the commission counsel. I will read it to the House: "I can confirm to you that the report identified by our file is the document which has been referred to as the CANMET report and that it was received from your client as part of the delivery of documents in June 1992".

I accept his apology and I hope to have the same from the hon. member.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, on June 9, 1992 when asked about the disclosure of the Westray mine documents the government House leader stated: "The government has been forthcoming with all of the background documents necessary for people to examine what has occurred and reach their own conclusions".

On December 1, 1992 the Prime Minister stated: "The position of this government will be to a full and complete co-operation with the public authorities in Nova Scotia".

Senior legal counsel yesterday said: "The inquiry does not have a copy of the memo to energy, mines and resources minister Jake Epp entitled 'Federal Funding of the Westray Coal Mine'".

Will the minister stand in his place and tell the House that he has a second letter, that the inquiry has received that document and he is now going to disclose that to the Canadian public?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, we must remember. We must put this in perspective. We have to have a reality check here.

First of all the regulation of mines is a provincial responsibility. That is why there is a provincial commission of inquiry looking into it. Second, the federal government's role in this was only to give a loan guarantee. It is not to inspect the mine for safety but to give a loan guarantee which of course was our only participation.

What disturbs me is what the hon. member did yesterday. He brought documents in here. We are talking about the death of 26 miners. To get to the bottom of why they died is very important to everybody in Canada, including this House. The hon. member brought documents pertaining to this into this House. He has had them for three or four months and did not reveal it to the House until yesterday. If there is a cover-up, it is a cover-up by the hon. member.

• (1420)

The situation is this. We have co-operated with the commission and we are going to co-operate with the commission fully. We are going to co-operate fully because we want to get to the bottom of this matter. We want the Canadian people to know why these miners died. I think the hon. member should help us in that task.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, what Canadians want from the minister responsible and all members of the cabinet are answers to the questions which have been plaguing Nova Scotians and particularly the families of the deceased miners.

The minister will know that 26 men have lost their lives. The inquiry has been suspended. Curragh has closed the mine. The taxpayers in Nova Scotia and in Ottawa have lost $12 million and $80 million respectively.

I ask that the minister make available to the public today the document with regard to the Westray funding

and all of its contents to date so that Canadians will know that this government is trying to protect the political hides of the federal cabinet and the premier of Nova Scotia.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am as willing as all members are every day to be partisan back and forth in this House. But when it comes to the death of 26 miners, the hon. member has gone far beyond what is appropriate.

He knows very well first of all that his facts are wrong and that $80 million has not yet been lost. The federal government holds title to the property that can be disposed of, certain funds of which could come back to the Crown.

More important, financial matters are not as important as these miners. What we want to do is get to the bottom of why they died. The commission of inquiry is going to do its work. It is going to be resuming its hearings in a matter of weeks. We will be tabling all of the relevant documents we said we would with them at that time.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the same minister and concerns the Westray Mine case. On May 9, 1992, 26 people lost their lives in the tragic explosion at the Westray Mine. Nearly $80 million in taxpayers' money has now been lost.

If what the minister says is true, is he prepared to table the missing pages in the House today? Is he prepared to do so, yes or no?

[*English*]

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, this government has co-operated with the commission from the beginning and it will right to the end of its inquiries.

What I want to know from the hon. member is whether he and his party are going to apologize for raising an accusation yesterday in the House which was totally false, which has been confirmed by the commission counsel.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the minister just told us that he was prepared to co-operate with the inquiry commission. How does he explain the fact that yesterday, March 30, 1993, commission member John Merrick stated that the government had not released to the commission all the documents dealing with the Westray mine case.

Who is telling the truth, the minister or the Nova Scotia commission? Who is the minister trying to protect? Himself, his cabinet colleagues or the Premier of Nova Scotia who is in trouble?

[*English*]

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the truth is that the commission lawyer had the courtesy and good grace to apologize for making a mistake. The hon. member does not seem to be willing to do that.

The hon. member has also asked for us to table further documents with the commission. We will do so as soon as it resumes its hearings.

* * *

PHARMACEUTICALS

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

A major study today of seven industrialized countries has found that Canada's drug prices are among the highest in the world. They are 56 per cent higher than the international average. The evidence is clearly contrary to what Canadians were told during the debate on the drug patent legislation. Clearly something has gone very wrong.

Given the figures that have come out today, will the Deputy Prime Minister announce an inquiry into drug prices in Canada which will include why the prices are so high, the effects of the high prices on provincial and territorial budgets, and indeed the effect of the North American free trade deal on making it impossible to change this legislation if it is implemented?

• (1425)

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, we have to be aware of what has happened with drug prices since 1987. Before Bill C-22 the increase in prices in Canada was 7.9 per cent per year. They have decreased to 2.6 per cent, which is

lower than the inflation rate. That is exactly what we said we would do in 1987 and it is exactly what we did. However at that time we did not have full control on the entry level prices with Bill C-22.

Bill C-91 had two specific purposes. One was to give protection in terms of intellectual property and development research and also to enforce the capacity of the PMPRB to control the price on entry and to control all prices.

We did exactly what we said we would do. The prices the member is referring to are prices which would be much higher if we had not done what we did in 1987 and 1991.

Hon. Audrey McLaughlin (Yukon): I have a supplementary question, Mr. Speaker. Sometimes I wonder if the whole government is inhaling.

Some hon. members: Oh, oh.

Ms. McLaughlin: The head of the government's own prices review board has said that these higher drug costs "are not consistent with the principle articulated in our mandate". Just last fall the government was told by Green Shield Inc. that the average cost of a claim for drugs after the government first protected the multinationals was more than double than before they did so. This change in legislation by this government is going to cost the provinces over $4 billion.

While this government is telling the provinces and territories to expect less and less health care and giving more and more profits to the multinational corporations, will the minister institute an inquiry into these unreasonably high drug prices?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I will certainly not comment on the premise that it is not the best question a member has asked since I have been in the House of Commons.

The hon. member is talking about an inquiry. She should first understand that the PMPRB is the board with the responsibility. It now works with the provinces to consider the prices of drugs and to act with regard to any price which is considered as unreasonable. That is what it did. That is what it will continue to do because its powers have been increased from what they were before.

Bill C-91 is a good bill. With regard to the question of the costs to the provinces, the hon. member should know because we have said time after time that patented drugs are 3 per cent of the volume of all drugs paid for by the provinces. If she would use the Conservative figures instead of the NDP figures maybe she would understand for once.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the final fact is that it is not working. Canadian drug prices are too high and are higher than international drug prices. That is a fact.

[*Translation*]

With the North American Free Trade Agreement it will be impossible for the Government of Canada to change this legislation. In that case, people have the right to expect this government to backtrack. Otherwise it will be too late.

Will the government order an investigation to determine the long-term impact on the price of drugs and on health care budgets across the country?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, what I said in English applies in French as well. We have no intention of conducting an investigation into the price of drugs, since we have the appropriate mechanisms to ensure that prices remain at reasonable levels for Canadian users.

As for health care costs, all provinces, including those with an NDP government, consider that the amounts invested in their health care systems are adequate. In fact, today, Quebec, Saskatchewan and Newfoundland have cut the amounts allocated to health care, because the amounts invested are sufficient. I repeat, we are not considering an investigation into the cost of drugs.

* * *

• (1430)

[*English*]

WESTRAY COAL MINE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I want to return to the Minister of State for Small Businesses and Tourism.

On June 8, 1992, recognized in *Hansard*, page 11571, the minister at that time stated that all the information necessary was tabled in the House.

Today we have the minister admitting that the key document outlining the federal role in the funding of the Westray mine has not been made public. It has been withheld.

I want to ask the Minister of State for Small Businesses and Tourism why this key document has not been made public and withheld. Why has the government stonewalled on this key issue outlining the federal responsibility and role in the Westray mine disaster? Why has it stonewalled for 10 months? Who is the minister trying to protect?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am afraid the hon. member and his colleagues have been playing politics with this issue through the whole of Question Period.

Some hon. members: Oh, oh.

Mr. Hockin: He knows very well that we have already tabled 7,000 pages with the commission. We will be tabling thousands more when the commission reconvenes. We have committed to do this and we certainly will do it.

The only admission I have not heard is an admission from them yesterday that they were wrong when they said that we had not tabled the CANMET report. In fact, as their own commission's counsel said today, not only did we table it but they received it months ago. They apologized for making the mistake, but no apologies from the hon. members opposite.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I want to come back to this minister or the acting minister.

I think they both understand that in a mining accident of this severity where lives were lost and safety was compromised, any government or agency involved has the utmost responsibility for accountability.

Ten months ago the government was asked to produce all the documents. It did not do that. It has withheld a key document outlining the federal role in the funding of the Westray mine incident. Even now with the threat of a federal commission of inquiry the minister still says: "Well, we may or may not put it forward. We haven't put it forward". They rejected, stonewalled, stopped the opposition.

Who made that decision? Was it this minister? Was it the Prime Minister? Was it the former Minister of Justice? Was it the minister of energy? Who is responsible for the cover-up?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the only cover-up the House has heard in the last two days is material that the hon. member's colleagues had yesterday that they kept to themselves for three or four months. It affects the lives of these 26 miners. If they cared about it, why did they not release it before yesterday?

The other point is that the hon. member makes the premise that there was a safety problem. We do not know. That is why the commission was struck by the provincial government, to look into whether there was a safety problem and, if so, who was the cause of it, what was the cause of it.

We want to co-operate with that. It is provincial jurisdiction. It is a provincial inquiry. We are going to co-operate fully with them as we have in the past and will in the future.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I also have a question for the Minister of State for Small Businesses and Tourism.

Eleven days after the blast that killed 26 men at Westray the minister said in this House, and I quote him: "These Westray documents are coming together very quickly. I hope that we will be able to get them before the public shortly". That is what he said.

As we know nothing has been put before the public, although we do have a document with everything wiped out, censored, except the title and we have another one that was obviously censored by some Tory in a back room.

Mr. McKnight: Order. Withdraw.

Mr. Simmons: What I want to ask the minister is this. When will he release untampered documents—

Some hon. members: Order.

Mr. Simmons: —so that the Canadian people can see if the Prime Minister is interested in miner safety or the careers of his justice minister and his good buddy, Donny Cameron?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member makes two mistakes. First of all he is politicizing in a very big way what is basically a human

tragedy. Second, he has failed to do his homework. He has failed to do 7,000 pages worth of homework. We have already tabled 7,000 pages on this subject and we have thousands more to come when the commission reconvenes.

• (1435)

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the minister knows politics is written all over this one. That is the point he is trying to skate around.

My colleague, the House leader, wrote the government just four days after the tragedy advocating that every document which may touch directly or indirectly on the Westray case be preserved and protected. Now a federal judge tells us that the federal Department of Justice had deliberately and consistently withheld information about Westray from the provincial inquiry and that documents had been censored and altered in back rooms.

My question is for the Minister of Justice. Why did he or his predecessor think it necessary on this case to muddy the waters, to fudge the record?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, members of the party opposite are having a terrible time listening to my answers. They are having a terrible time dealing with what I have already told them: not only have we co-operated with the commission fully but also the allegation he just made is patently false.

Let me read again the letter that I have just received from the commission counsel. It states:

> I can confirm to you that the report identified by our file IST 9 is the document which is being referred to as the "CanMet" Report and that it was received from your client as part of the delivery of documents in June of 1992.

The hon. members opposite said we never sent the report or if we had sent it we only sent part of it. The commission counsel is now saying they were wrong and we were right.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, the only thing certain about this whole Westray episode is that the government is confused, the opposition is confused, we are confused, and the public is confused.

We have to get something straight. Yesterday the commission counsel for the inquiry said in a prepared release that the document they had called the CANMET report was not supplied by the government.

Today the minister quotes a letter, part of which reads:

> In the Fall of 1992, we became aware of a document identified as a "CanMet" Report. On checking our documents, we found no reference to CanMet. We subsequently obtained a copy of a Report from another source which had a title page identifying it as "CANMET REVIEW".

The person who supplied the report to the commission of inquiry in Nova Scotia was Alexa McDonough, the NDP leader of the party in Nova Scotia, not the federal government. We have that from two independent sources within the commission.

I ask the minister to finally try to get the answers straight. Did the government supply the report to the commission or not? What report did it supply? When are we going to get to the truth of this matter? Will he table his letter?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am disappointed with the tone of my hon. friend's question. His party, to some degree, has not played politics with this issue as the Liberals have. Now he is doing that by mentioning names of prominent political people in the provincial legislature.

Let me tell the member this. If he reads this letter, and I invite him to read the letter, the commission counsel is saying that the reason they made the mistake is they did not get the title right. They now admit they had the document all along and they apologized for it. If the hon. member wants me to read all five paragraphs of the letter I will be glad to do it.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, to begin with I thought the usual practice in this place was for a minister, when he read from correspondence, to immediately table that correspondence. Since he has not yet done so I hope he will very soon.

The last thing I want to do is play politics with this issue, especially since 26 lives were lost. As I stated before, on a very brief supplementary, there is a lot of

confusion and most of all the confusion is among the public, the miners and the people of Nova Scotia.

Last June my colleague from Edmonton East asked the minister that in view of the fact he agreed the commission of inquiry had no power to compel the federal government to supply documents and seeing as that has become one of the most uncertain and confusing issues in this whole affair, will the minister and the government now agree to hold a federal inquiry that will have powers so we can get at the truth? The government has the power to seek and demand the truth. Can we get this matter clarified, put politics aside and get safety in the mines of Nova Scotia?

• (1440)

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member needs a reality check again.

What we have here is a provincial inquiry into a matter of provincial jurisdiction which is safety. Regulation of safety in mines has always been provincial. That is why, in fact, the provincial government quite properly is having an inquiry. We want to co-operate because I believe the commission can get to the bottom of this. We have already sent them 7,000 documents. We will be sending them thousands more when they reconvene.

Not only that, but the federal government's role in this was simply as a loan guarantor. This is very far from safety in mining, but as a loan guarantor we want to participate fully in the inquiry. We look forward to co-operating with the commission.

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[*Translation*]

COMMUNICATION-QUÉBEC

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is for the Minister of Supply and Services or whoever answers for him.

The minister announced in February that he had asked his officials to end, at least for now, the interruption of the system whereby Quebecers can obtain information on government services from a single source. We know that this system is very convenient and practical for Quebecers and lets them obtain useful information on the services of the Quebec and federal governments all in one place.

Now that the minister has surely had time to consider this important matter, I ask him to tell us whether he can assure the House today that this single source system will be maintained permanently.

[*English*]

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, as a matter of fact there is a mix-up in some of the information. A person from my department met with some public officials in the province of Quebec in December who made this request. The minister in Quebec, Mr. Cannon, made this a public matter at the end of January.

I have talked to my officials and an approach has been made to his department to see if we can extend the present arrangements, at least for another year and a half while we negotiate. We are not really thrilled with the idea that we go along with him, that we should increase our payments by 10 per cent each year for the next three years for a total of 30 per cent. We think we had better negotiate some of the cost factors involved too.

[*Translation*]

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, I listened carefully to the answer and I am not sure whether the services will be maintained or not. This is the most popular service there is. It is one of the few successes in federal-provincial harmonization and I ask why the minister does not tell us today, clearly and frankly, that he will not end this single-source system but maintain it and make it an example for all the departments concerned.

[*English*]

Hon. Paul Dick (Minister of Supply and Services): Excuse me, Mr. Speaker, perhaps the hon. member did not hear what I said.

I said that I have contacted him within the last little while to see if we cannot extend the present services. That certainly seems like a continuation if we are going to extend.

* * *

PHARMACEUTICALS

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

Senator David Pryor in a letter to U.S. trade representative Mickey Kantor indicates that the government sacrificed the Canadian generic drug industry solely at the request of President Bush, and I quote: "The previous Bush administration exerted significant pressure on the Canadian government to abandon their system of generic drug licensing", a move that will cost the Canadian health care system over $4 billion.

Why did the minister cave in at the negotiations? Why did he put the political interests of the President of the United States ahead of the public interest of Canadians?

Hon. Benoît Bouchard (Minister of National Health and Welfare): First, Mr. Speaker, as we already said and will repeat again, there was no pressure by the United States on the health care system and there is no pressure from ourselves either on the health care system.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, let me try it again. My supplementary question is for the Minister for International Trade, the individual who negotiated this deal.

Today the government's own watch-dog, the PMPRB, reported that as a result of the government's drug patent laws Canadians are paying some of the highest pharmaceutical costs in the entire industrialized world. Yet the Minister for International Trade will get up and defend the clause he agreed to in the NAFTA that will lead to even higher drug costs for all Canadians.

Given the report of the PMPRB, does the minister of trade now agree with Senator Pryor and will he agree to have these offensive clauses removed from the proposed NAFTA deal?

• (1445)

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, it is strange that the member referred to the patent drug legislation. All the countries which are supposed to have prices lower than Canada do not have any kind of compulsory licence system.

All the countries the member is talking about do not have a compulsory licence system. They have a mechanism to control, as we have in Canada. I said before, as he knows, that we have reduced the prices under Bill C-22 and that the PMPRB has all the authority to do the same if it considers that prices are not reasonable under Bill C-91.

We accomplished exactly the purposes we had in mind when we decided to put Bill C-22 and Bill C-91. He should read the bill very attentively and maybe he will understand.

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CIGARETTE LABELLING

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, my question is for the Minister of National Health and Welfare.

The Liberal Party is not against the proposed new regulations regarding the labelling of cigarettes, but the pending new regulations are causing great havoc in the packaging industry.

Can the minister give me assurance that two concerns of the packaging industry will be met; number one, that the industry will be given adequate lead time to refit its production lines and, two, that the industry will be given adequate transition time to fill existing orders and dispose of current inventory in its warehouse?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, first I want to correct something which appeared in the newspaper this morning in terms of the uncertainty about the law. There is no change in the law.

I said last week or the week before that by September 1 normally the companies would be ready to make the change because technically the drums used by the company to print the packs have to be changed every three months. They have five months and within that period they will have the opportunity to do what should be done. We gave enough time so that the companies would not have to pay more money to apply the regulation that the government decided on.

I believe it is fair and I believe it responds to the concerns we have about the tobacco problem.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, with layoffs affecting 200 to 300 employees at a packaging industry in eastern Ontario, announced just yesterday, there is a great deal of uncertainty in the communities affected.

Will the minister give me assurance that he will consult immediately with the packaging industry to work out a mutually agreeable time at which the new regulation will take effect so that the 200 to 300 employees who are now unemployed can get back to work?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I do not understand the rationale of the company to have laid off people yesterday or today because it is not sure about what will happen. It should know. I was very clear about the date, September 1, and it was presented to the companies previously.

We consider it reasonable to believe it can be done. If there are many other reasons I do not know about to lay off people, that is fine, but it is not because there is uncertainty because there is no law which needs to be changed. It is regulations that have been passed by the government. They are ready to be applied. Everything is well known. The companies should know that.

* * *

[*Translation*]

COMMUNICATION–QUÉBEC

Mr. Guy Saint–Julien (Abitibi): Mr. Speaker, my question is for the Minister of Supply and Services.

On February 1 and 2, I spoke in this House for maintaining the excellent service provided by Communication–Québec on federal programs and services for the federal government.

Can the minister tell us today if his department is implementing a new Info–Centre Canada service in Quebec and whether this service that Communication–Québec provides for programs will be eliminated by Christmas 1993?

If so, that is no gift.

[*English*]

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, I believe the government announced back in the fall of 1992 that it was looking at a system of centralization for all federal information across Canada and that it was setting up some pilot projects to look at this.

I understand there are some pilots in place.

• (1450)

At the present time I am inquiring through Communications Quebec as to whether or not we can maintain the same arrangement we presently have, subject to price and availability, at least up until the end of December 1994 so that these things can be finalized one way or the other.

* * *

SMALL BUSINESSES LOANS ACT

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, my question is for the minister responsible for small businesses. It has to do with the changes passed in this House to the Small Businesses Loans Act. Incidentally they were much needed changes. My question is simply this. Can we expect more and better co–operation from the banks in relation to this act?

The second part of my question is: When can we expect implementation of the working capital provision within this act, which is probably the most important provision within this new act?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would like to thank my hon. friend for his question. The new act is so different from the previous one that we should almost change its name to the super–duper loans act because it is a lot better than the previous one.

The banks, because of the increased guarantee and the increased commission, are very keen to promote it. They are already producing brochures. We are going to be producing our own brochure. Over a thousand will be sent to hon. members in the House of Commons and in the Senate to distribute.

We also are making sure that they are training their loan officers. Because they are under this act, the financial institutions will be limited on the amount of personal security that they can take against an SBLA loan. There will be many more funds left for working capital. That is the big advantage of these new changes.

* * *

WYETH–AYERST

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the minister of industry.

Just months after the brand name drug companies promised more jobs to Canadians if they were given new patent privileges, one of the giants of this drug industry, Wyeth–Ayerst, yesterday closed its factory in Windsor, cutting 219 jobs.

We have now discovered that the Canadian operations of this empire received $4 million from the department of industry. I want to ask the minister if he will insist on getting that money back from this company given that it has broken its promise to Canadians and left long–term employees with a jobless future in a tough city in which to find a job in 1993.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I know my hon. friend did not do this deliberately, but he did neglect to say that Wyeth has merged with Ayerst, McKenna & Harrison as a result of a world–wide merger. The business of the combined companies will be concentrated in Montreal in their much larger Ayerst operations.

I am sure my hon. friend would want to correct the impression he left with the House that Wyeth was pulling out of Canada altogether. It is consolidating its operations under one roof in Montreal and creating a good number of jobs in Montreal as a result of that.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is for the same minister.

When debating Bill C–91, the Minister of Consumer and Corporate Affairs said that Bill C–91 would help provide new jobs, attract new investment in R and D, and provide new export opportunities. I do not think he said that they would be in Montreal. We received a number of letters in my office from employees of Wyeth expressing support for Bill C–91.

My question to the minister is: Would he blame those employees who have lost their jobs today if they regard the promises of Wyeth, of the PMAC and of this government as nothing but lies, lies and more damn lies, or does he have any solution for these people who have lost their jobs in Windsor? They do not care how many jobs are produced in Montreal.

• (1455)

Some hon. members: Oh, oh.

Mr. Domm: No NDP in Montreal.

Mr. Della Noce: That's a good way to elect PCs in Montreal.

An hon. member: Montreal doesn't have a socialist government.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the only point that I would make to my hon. friend is that I hope he regrets the statement that he just made. Montreal is a part of Canada and there is a combination of operations within Canada.

Jobs have been created in one part of the country. Yes, it is unfortunate that jobs were lost in Windsor. I am sure that my hon. friend would reflect on the fact that $1 billion of investment has gone from Ford into Windsor and that Chrysler had put $450 million worth of investment in the Windsor area. These are all things that are positive to the Windsor economy.

The last point I will make to my hon. friend is this. The point by him and his colleague from Windsor about this action on the part of these two companies having something to do with Bill C–91 is totally wrong. It has absolutely nothing to do with Bill C–91.

* * *

INTERNATIONAL AID

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Minister of Finance.

Since 1989 the government has cut $4.5 billion from international aid budgets. Besides the devastating impact that this has had on the world's poorest people, one of the key affected groups in Canada is the non–government organization committee.

For three years this community has been trying to meet with the minister to discuss the cuts. Why has the minister not met with this community? Will he meet with its people now before the minister comes down with his budget in April?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I have been engaged in pre–budget consultations for the last two to three weeks.

I have had seven meetings right across the country plus a number of bilaterals. We usually have 15 or 16 groups that come before the committee. They would certainly be welcome to come before that committee. I will see them whenever I get an opportunity. Obviously they meet with the minister responsible.

I simply want to tell the hon. member that if she looked at the growth in foreign aid, ODA, she would find that the growth in that particular sector has been greater than the over-all program expenditures.

I think she should be the first one to understand that when we are engaged in fiscal restraint, all areas and all sectors are going to be affected. This sector has not been affected as negatively as many other sectors, I remind the hon. member.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my second question is for the Prime Minister on another foreign aid issue. In his absence I will direct it to the House leader.

Yesterday the Prime Minister met with ex-Soviet President Gorbachev and restated his position that the west must move quickly to help Russia. Today he announced that an aid package will be announced as part of the Yeltsin-Clinton summit this weekend in Vancouver.

We would like to know if the government will follow through on the commitment made here last week by the Prime Minister that would allow us to have a parliamentary debate on this subject either tomorrow or Friday so that a strong statement of support can be made by the Canadian people through Parliament before President Yeltsin arrives in Canada.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am sure through the negotiation process of the House leaders such a debate can be arranged.

The hon member, since she is so interested in this subject, may want to suggest the use of a Liberal opposition day for this purpose since the House time is being very compressed. I think that is clearly an opportunity that the Leader of the Opposition and the Liberal members can seize upon.

* * *

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of Finance.

The green plan promises that there will be an environmental assessment of every policy that goes to cabinet for a decision and that the environmental implications will be released at the same time as the policy.

As the minister knows, the major policy statement of any government is its budget. Is the government making an environmental assessment of the budget? Will the environmental review be tabled at the same time as the budget in April, as promised by the green plan and by the Minister of the Environment?

• (1500)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, obviously any policy initiative undertaken by the government takes into account the environmental impact. That is a general across the board policy of the government.

Mrs. Marlene Catterall (Ottawa West): My supplementary question is for the same minister, Mr. Speaker.

The green plan is very clear that the environmental implications will be made public at the same time as the policy. It was not done for the 1991 budget; it was not done for the 1992 budget. I ask the Minister of Finance to be very clear. Will it be done for the 1993 budget, the last budget his government will release before it is defeated at the polls?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): The same answer, Mr. Speaker.

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LESLIE JAMES BENNETT

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, my question is for the Solicitor General.

On last night's *Fifth Estate* program Mr. Leslie James Bennett expressed dissatisfaction with his treatment by successive Canadian governments with regard to allegations that he was a Soviet mole. Could the minister clarify the government's position on this matter?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I want to assure Mr. Bennett and the House that the Government of Canada believes that Mr. Bennett was never a KGB mole. I was struck by his request that we make a categorical denial or statement to that effect and I am pleased to have this opportunity today to put that on the record.

SOFTWOOD LUMBER

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, my question is for the Minister for International Trade.

I would like to know the status of the European Common Market non-tariff barrier against the importation of Atlantic and Quebec softwood lumber into the European market which is slowly being taken away and is going to cost future jobs unless the government gets off its duff.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, if my hon. friend had posed the question to me privately I would have told him that we were off our duff a long time ago.

We have been working on this issue with the European Community as recently as a meeting that I had with Sir Leon Brittan in Washington about a month ago when I raised it with him. I have since written to every trade minister of every member of the European Community. My colleague, the Minister of Forestry, has done the same with his counterparts in the community.

We have expressed a great deal of concern not only with the action but the timing of the action. This matter has the potential to cause a disruption in trade that could have an impact on the industry. So we are right on top of that one, Mr. Speaker.

* * *

POINTS OF ORDER

PETITIONS

Mr. Alex Kindy (Calgary Northeast): I rise on a point of order, Mr. Speaker.

I face a dilemma. I have 150,000 petitions that have to be filed during this session of Parliament. However it takes two days to have 600 certified. I would like to have your advice as to what I should do. You really could be helpful.

Mr. Speaker: I will consider the matter.

TABLING OF LETTER

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I rise on a point of order.

I wish to table a letter which I quoted from earlier during Question Period, a letter to a Mr. Colin L. Campbell from John P. Merrick, the commission counsel for the Westray inquiry. I wish to table this letter.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to eight petitions.

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

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• (1505)

HOUSE MANAGEMENT

PRESENTATION OF 80TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I have the honour to present the 80th Report of the Standing Committee on House Management regarding the membership of the Legislative Committee on Bill C–115.

* * *

[*English*]

TRANSPORT

SIXTH AND SEVENTH REPORTS OF STANDING COMMITTEE

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I have the honour to present the sixth and seventh reports of the Standing Committee on Transport, in both official languages. They deal with Bill C–97, an act respecting marine insurance, and Bill C–83, an act respecting the transportation of goods by water.

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

Routine Proceedings

PETITIONS

TRADE

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I have the privilege of presenting a petition from a fairly large number of my constituents calling on Parliament to reject the proposed North American free trade agreement and recommend to the government that it use the termination clause to end the Canada–U.S. Free Trade Agreement.

PHARMACEUTICALS

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I have the privilege pursuant to Standing Order 36 to present two petitions.

The first one is with respect to Bill C–91, the patent drug act. The petitioners from various places in the province of British Columbia, from the north to the south to the coastal regions, are petitioning Parliament to repeal Bill C–22 and Bill C–91 so that Canadians will have the full benefit of lower priced generic drugs and that provincial and private drug plans can serve Canadians without being forced to charge higher fees and provide less coverage.

TRADE

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, my second petition requests Parliament to reject the proposed North American free trade agreement and to recommend that government use its termination clause to end the Canada–U.S. Free Trade Agreement.

SERIAL KILLER CARDS

Mr. Ken James (Sarnia—Lambton) Mr. Speaker, I rise today to present four petitions pursuant to Standing Order 36 which have been certified as being correct in form and content.

Hundreds of petitioners from across my riding of Sarnia—Lambton call upon Parliament to enact legislation to prohibit the importation, distribution, sale and manufacture of serial killer cards.

As well, they say that producers of these cards should be advised that if their product is destined for Canada it will be seized and destroyed.

VIOLENCE

Mr. René Soetens (Ontario): Mr. Speaker, I rise with pleasure to present this petition pursuant to Standing Order 36.

It is submitted by a number of residents from the town of Ajax and has a number of clauses dealing with the incidence of violence against women and children and the many problems experienced by these individuals because of that violence. I therefore submit their recommendations.

They humbly pray and call upon Parliament to accept legislation designed to eliminate violence against women and children; encourage and support women to report incidents of assault or abuse; provide assistance and support for women reporting assault or abuse; provide relief and support to women as mothers to protect their children; emphasize the need for abuser rehabilitation; concentrate special effort on the training of police, lawyers, court workers, and judges to help them become knowledgeable about women and child abuse; and to focus public attention on this very important and long ignored problem.

GASOLINE PRICES

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have over 1,000 names on a petition calling on this House to urge the government to take immediate action on gasoline prices in our region.

They are joining those who are calling on the government to make sure that any inquiries taking place be open to the public.

• (1510)

NATIONAL DEFENCE

Mr. George S. Rideout (Moncton): Mr. Speaker, I have two petitions pursuant to Standing Order 36.

The first petition deals with the Canadian Forces base No. 5 supply depot in Moncton and urges the government to reconsider its untimely decision to close these military facilities as they have so capably served the troops and militia in bases throughout Canada and overseas over the last 52 years. They are calling upon the government to change its decision.

GASOLINE PRICES

Mr. George S. Rideout (Moncton): Mr. Speaker, the second petition helps the member for Ottawa Centre on his gas price problem because we have a similar problem in Moncton.

The petitioners call upon this government to correct the injustice associated with gasoline prices here in Ottawa as well as in other parts of Canada.

[*Translation*]

COMMUNICATIONS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I wish to table a petition in which your petitioners call upon Parliament to ensure no inappropriate language is used or acts of violence are displayed on radio or television. They say that often what they see and hear undermines the way they are trying to raise their families.

They also stressed it was unnecessary to use inappropriate language or to encourage acts of violence in order to inform people, in either official language.

[*English*]

CANADA STUDENT LOANS PROGRAM

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I also have a petition from petitioners in Saskatchewan who are part of the Canadian Federation of Students which represents over 450,000 students across Canada. They ask the government to remove the 3 per cent tax on student loans and not to permit Bill C–76, which would add 6 months interest, to go through.

They also ask the government to be particularly cautious about transferring the student aid program to banks. They would like to have a role to play in it. If that is going to happen they would actually prefer to see it abolished.

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Finally, Mr. Speaker, I have another petition that asks the government to seriously consider the withdrawal of the GST on books and reading materials.

They point out that there has never been such a tax and it is contrary to what we want in a democratic society such as ours. As well it runs contrary to objectives such as increased productivity and competitiveness.

[*Translation*]

VIOLENCE

Mr. Guy Saint–Julien (Abitibi): Mr. Speaker, I would like to table a petition from residents of Amos, Saint–Félix, Saint–Dominique–du–Rosaire, Senneterre, Rivière–Héva, Saint–Mathieu and Val d'Or, in the riding of Abitibi, who say that films depicting violence on television are dangerous and therefore unacceptable because they act as a stimulus for violent behaviour.

The petition also says that all toys that incite children to play violent games are unacceptable and their manufacture should be banned. It is also pointed out that the repeated broadcasting of news about acts of violence on television, on all channels, and on radio may act as a stimulus for further identical violent behaviour.

Therefore your petitioners humbly pray and call upon Parliament to pass the appropriate legislation in order to eliminate violence in our society and thus protect our children and give all citizens a better quality of life.

[*English*]

BOSNIA–HERCEGOVINA

Mr. Joe McGuire (Egmont): Mr. Speaker, pursuant to Standing Order 36 I have a duly certified petition from Egmont residents concerned with the oppression of Bosnian women.

The petitioners call upon Parliament to urge the government to initiate an international team to investigate the atrocities of rape camps and to ensure that all such camps be dismantled and that a series of rehabilitation programs be put into place by the Bosnian government to assist the victims of rape camps.

YOUNG OFFENDERS ACT

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, pursuant to Standing Order 36 I have the honour and privilege to present six petitions today which include the names of hundreds of constituents in and around the riding of Elk Island, from such places as Sherwood Park, Fort Saskatchewan, Edmonton and the surrounding area.

In excess of 3,000 people have signed petitions asking Parliament to strengthen or replace the Young Offenders Act with legislation that will be a stronger deterrent to youth crime.

These citizens generally want laws that make young offenders accountable for their actions. They are most concerned with repeat violent young offenders and recommend harsher penalties including work camps, and in cases dealing with theft or property damage they suggest financial repayment to the victims of crime.

[*Translation*]

GASOLINE PRICES

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, pursuant to Standing Order 36, I wish to table this petition signed by residents of the Outaouais region. It concerns the difference between the price of gas in that region and in other regions in Ontario.

The petitioners wonder whether there could be a public investigation of the reasons behind these price differences.

* * *

• (1515)

QUESTIONS ON THE ORDER PAPER

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I suggest that all questions be allowed to stand.

Mr. Speaker: Shall the questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I suggest that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

NORTH AMERICAN FREE TRADE AGREEMENT IMPLEMENTATION ACT

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-115

Hon. Charles Mayer (Minister of Agriculture) moved:

That, in relation to Bill C-115, an act to implement the North American free trade agreement, not more than one further sitting day be allotted to the consideration of second reading stage of the bill; and

That, fifteen minutes before the expiry of the time provided for Government Orders on the day allotted to the second reading stage consideration of the said bill, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question necessary to dispose of the second reading stage of the bill shall be put forthwith and successively, without further debate or amendment.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I rise on a point of order. I appreciate your willingness to hear me at this time on the appropriateness of the time allocation motion just moved.

My NDP colleagues and I are outraged that the government is bringing in time allocation on Bill C-115 after only a limited time of debate at second reading. As I did in a letter to you, Mr. Speaker, on March 25, we are now calling on you to use your personal and procedural authority to stop what we regard as an abuse of Parliament.

Bill C-115 is the implementing legislation for the North American free trade agreement—

Some hon. members: Debate.

Mr. Speaker: Just a minute. I would hope that hon. members would extend the courtesies that are traditional in this place and allow the hon. member to put his argument. He is not proceeding on a question of privilege. He is proceeding on a point of order. It is a point of order that has been taken in the past and I have heard it. I am not anticipating what I shall do, but I am certainly going to hear it.

Mr. Blaikie: Mr. Speaker, Bill C-115 is the implementing legislation for the North American free trade agreement. NAFTA, as it is otherwise known, is a major development in Canadian political and economic history

by anyone's standards, regardless of their view on the matter, and needs to be debated adequately in the House of Commons, especially at second reading where the principle of the issue is to be debated. To dispose of second reading after only a few hours of parliamentary debate last Thursday and today is clearly an abomination.

• (1520)

As you said on April 14, 1987:

> It is essential to our democratic system that controversial issues should be debated at reasonable length so that every reasonable opportunity shall be available to hear the arguments pro and con and that reasonable delaying tactics should be permissible to enable opponents of a measure to enlist public support for their point of view.

NAFTA is certainly a controversial issue and should therefore be debated at reasonable length. It is, as the Action Canada Network said in a press release this morning, an international treaty which Canadians, through their elected members of Parliament, must have an opportunity to analyse and debate in an open public forum.

In your decision of April 14, 1987 you said:

> The fundamental rights of members can be violated by the tactics of obstruction as well as by the unreasonable restriction of debate.

I agree. On that occasion you were concerned about the deadlock that had been produced on Bill C-22 as a result of certain opposition tactics.

Today we are faced with the other danger to the fundamental rights of members that you correctly identified in that decision, an unreasonable restriction of debate. For if a day and a half at second reading on something like NAFTA is not unreasonable one has to ask the question: What would be called unreasonable? Would just a day be called unreasonable but a day and a half called reasonable? Both are an unreasonable restriction of debate and should not be tolerated. This is why we appeal to you as the guardian of the House, which you are, Mr. Speaker.

Since 1988 we have seen closure used 17 times, almost as many times as in the whole history of Parliament, and time allocation, which I am objecting to today, used even more often than that. Indeed, thanks to the unilateral changes in the rules of the House in April 1991, time allocation, which used to be regarded as the more moderate way of limiting debate, is now more convenient and easy for the government than closure itself, and the practice of using time allocation has accordingly become more attractive.

Surely there is a limit, a line beyond which the rights and responsibilities of Parliament itself are abrogated when important issues are immediately time allocated, without the opposition having time to debate such crucial issues and to take whatever political responsibility there may be for a certain amount of delay. The expectation of the Canadian people is that time allocation is something that governments enact in exasperation over a prolonged debate, not after a day and a half.

To enact time allocation without even allowing a reasonable debate on NAFTA violates every legitimate perception of how Parliament should work and the occasional need for governments to bring an end to debate.

I am fully aware that I am asking you to do something out of the ordinary, something new. But you are a new Speaker, new in the sense that you are the first to be elected by the whole House by secret ballot. You are a creature and servant of the House in a way that no previous Canadian Speaker has ever been, no matter how good previous Speakers may have been in their own right. You have the authority, I believe, if you choose to use it, to do what might otherwise be seen as unacceptable, at least by some.

The situation cries out for your intervention. Indeed, as you said yourself, in the decision of April 14, 1987: "there comes a time when the Chair has to face its responsibilities" and permit what in previous circumstances might have been ruled unacceptable by modifying or varying an earlier decision. I might add here, modifying or varying an earlier tradition.

An eminent parliamentary authority, Josef Redlich, which you have quoted yourself on occasion, has said that it is the duty of the Speaker to serve the majority and the minority "by maintaining the rules and the usage of centuries and by taking care that both majority and minority are not impeded in the use of the forces and the weapons which the order of business provides for the

strong and the weak. Protection of a majority against obstruction and protection of a minority against oppression are both alike functions of the Chair".

In Parliament, as it now stands, the opposition is perpetually and chronically weak thanks to the unilateral rule changes brought in, in April 1991, and protection of the minority against oppression should now be your major concern. I submit to you that this time allocation motion is just that kind of oppression which you need to protect the minority from.

• (1525)

Mr. Speaker, in 1987 you asked the question reflecting on the manner in which you were elected as to whether or not the House of Commons had matured "enough to confer upon its presiding officer the discretionary powers necessary to control abuse and resolve deadlocks that the British House of Commons gave its Speaker over a century ago". You said then that you believed the Canadian House of Commons had matured to that point. On that basis you acted to break the deadlock.

I now ask you to act on the same basis to control abuse in a Parliament that has seen more time allocation in which the opposition is weaker and in which the idea of giving the Speaker such discretion has come into its own. Indeed, a subcommittee of the Standing Committee on House Management recently recommended to the full committee that such discretion on the part of the Speaker be part of the full committee's report to the House on parliamentary reform that could be tabled any day now.

There is a recognition that with increased government powers must come some other form of checking abuses of power. This checking mechanism used to be the role of the opposition but which is no more thanks to the rule changes that I mentioned before.

The time allocation now before us on NAFTA is in my judgment and that of my colleagues just the sort of situation in which the Speaker's role is crucial. Indeed, if this is not the kind of situation that demands the intervention of the Chair, it is hard to imagine what would be and therefore what meaning there might be in having the Speaker exercise such discretion.

Mr. Speaker, Parliament is in your hands. On April 14 you said: "Notice of time allocation motions after only a few hours of debate at any stage of a bill can also be an abuse". This is exactly what we have before us this afternoon. If the North American free trade agreement can be rushed through the House of Commons with just two days' debate then Canadians will have just cause to despair about their Parliament as a place where important issues are adequately debated. We in the NDP caucus call on you to exercise your discretion and refuse to entertain, or to call the vote, on the time allocation motion on Bill C–115 until you are satisfied that there has been adequate debate on second reading.

Finally, I appeal to that which you have often appealed to yourself, and that is common sense. It is that profound sense, as you once described it, of what is appropriate under certain circumstances and what is acceptable to reasonable people.

May I ask that at the very least, given what I believe to be the historic significance of the judgment you are being called upon to make not in terms of the North American free trade agreement but in terms of Parliament, that you take whatever time is necessary to reflect on the issue before you and ask the government to withdraw its motion until you have had ample time to consider the matter.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I endorse what my colleague the hon. member for Winnipeg Transcona said.

[*English*]

He has made a very eloquent plea based on a past ruling of yours in another sense on another subject that I think is relevant to the debate today.

In 1988 when I was first elected to this House, the House of Commons spent almost two weeks debating a free trade agreement. This new agreement substantially modifies the original free trade agreement and in fact is a replacement for it.

The legislation this time is even more voluminous than what it was in 1988. In 1988 we had a lengthy debate in this House on free trade and closure was used by the government at every stage. The argument that was put forward to justify the use of closure at that time, as you will well recall, Mr. Speaker, was that there had been adequate debate on this bill before: the subject matter had been debated in the previous Parliament and then there was an extensive public debate throughout the election campaign. This time there has been no previous

debate in this House on NAFTA except on opposition days when we have had the odd day.

There has not been a debate on this bill before in this House as there was with the previous bill. While we objected strenuously to the use of closure in 1988, the argument was not advanced that it was improper for the government to make use of it at that time in part because the government said there had been extensive previous debate. That is true.

This time there has not been. There has been one morning of debate on this bill and not even a full morning.

• (1530)

Now we have the government coming before the House again with time allocation. We have become accustomed to this abuse because it has been used repeatedly. It was used yesterday, it was used today, and it will be used tomorrow. It is constantly being used after very short debate. The government has frequently called a bill on a Friday morning for an hour and then applied time allocation so there is one more day of debate, in other words one day plus one day.

The hon. member scoffs. That is true. He can look at the record. He can look at last Friday and see what happened then.

I plead, as the hon. member for Winnipeg—Transcona has, to look at the question of fairness in this case and whether the government majority is not abusing its position by using time allocation day after day, after very short debate on major bills of considerable public importance and debate.

Surely there should be an opportunity for this House to have a reasonable discussion on the principles of the NAFTA deal before this bill is approved. Yet we are being denied that opportunity by this motion. We are being limited to one morning plus one Wednesday afternoon. That is the effect of this motion.

I submit that is an abuse of the rules of the House. The government House leader should be hiding his head in shame at this abuse. I appeal to you, Mr. Speaker, to use your power to rule this motion out of order today without prejudice to the government's right to bring the motion in at a subsequent time.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, in terms of the question of order, of course it should be pointed out that attempts were made with both opposition parties to seek agreement under Standing Order 78(1) or 78(2) for some appropriate time of debate and it was denied on both counts.

Second, the requirement of Standing Order 78(3) in terms of having the bill currently under consideration was done. Notice was given the day before as required under Standing Order 78(3). No less than one further day for completion was the requirement of Standing Order 78(3) and that is part of the motion. All of the requirements of our Standing Orders and in fact of this motion have been followed very clearly. It is very clear the motion is in order and should be proceeded with.

I want to comment on some accusations that have been made. For example, the hon. member for Kingston and the Islands just talked about his experience since being here and what it has shown him about time allocation and so on. I thought he would be interested to know that from 1988 to 1992 time allocation was used on 13 bills; from 1984 to 1988 it was used on 16 bills; and from 1980 to 1984, when there was a Liberal government before his time, it was used on 18 bills. Therefore any accusation of escalation is in fact fallacious in terms of the record.

In terms of whether there has been adequate debate on this particular subject, the subcommittee of external affairs and international trade has been considering the NAFTA treaty since last November. It has toured the country and heard from some 119 different witnesses. The witnesses who were there did not laugh. It has been the subject matter of Question Period almost every day for months and months.

We commenced second reading debate. The hon. member for Esquimalt—Juan de Fuca, who was the spokesman, under the rules provided for 20 minutes and 10 minutes. The House unanimously agreed to extend that to 40 minutes. On many occasions I offered to sit through the noon hour or the evening to discuss it but it was turned down on every occasion.

We are proceeding with second reading at this time in order to get it to committee. It is a very substantial bill. The Parliamentary Secretary to the Minister for International Trade and my parliamentary secretary each put a motion to the House asking that the bill be referred, prior to second reading, to a committee so it could be examined. It was turned down on both occasions by the New Democratic Party on the floor of this House.

The apparent anxiousness of the New Democratic Party members to discuss this bill is a little bit inconsistent in their argument because when we provided an opportunity they chose not to take it.

I have to repeat that the Standing Orders are there. They are being applied properly and in the proper tradition. The question is: How much debate is enough? I have never been able to get a response to that question when I put it to the opposition repeatedly over the last month.

• (1535)

I would remind the House that the mother of Parliaments, Westminster, was able to conclude a vote on second reading of the Maastricht Treaty legislation, surely very profound legislation, after just six hours; but apparently this House is incapable of dealing with something like NAFTA in anything less than an unlimited amount of time, which is really not very credible when we think about it.

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, for us in the Bloc Quebecois, it is not a matter of settling scores with the Official Opposition or the NDP, but we were not consulted by the government. Even if we agree with the principle of free trade with the United States and Mexico, we think that we must have the time required to debate the issue in this House.

I find this motion premature and I strongly endorse what my colleague from the New Democratic Party said to the effect that the Speaker should consider the great significance of this bill and give this House the time it needs to deal with it.

[*English*]

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I listened to the government House leader and know from whence he came. He and I shared the same side of the aisle in terms of Parliament, decorum, bills, debate and some of the figures he read out here about closure being used and/or allocation of time in a former government. I fully believe governments have the right to allocation of time, and certainly this government has been doing very well at exercising that right.

With this putative order that is before the House, the member for Winnipeg Transcona has so ably raised points in objecting to having it even put. As the member for Hull—Aylmer points out, the interpretation of that order in something so fundamental will actually limit the possibility of members or even registered parties being able to participate. It will certainly limit any independent member or any member of the Bloc Quebecois in speaking because of the way the House provides and/or rotates the time for speaking. That is not really my point.

This is a fundamental bill, and having listened to the government House leader talk about this issue being debated in the country, it shows the reflection he has about the House.

Mr. Speaker: Just a moment. I think I have given a lot of latitude. I said I was going to hear this point. I do not think we need to get personal about it.

I have to make this decision on what the procedural law is and that is where I need assistance.

Mr. Nowlan: Mr. Speaker, I will be very short. The member for Winnipeg Transcona quoted some reasoning to you that was very interesting and very just on earlier decisions. He quoted all the points. This is beyond the letter of the law or beyond the technicalities of the rule for allocation. There is the letter of the law, the rule of law, and the intent.

Mr. Speaker, you are a member of this House of Commons and know the reason for allocation of time. The debate started on Thursday and you were not in the chair, Mr. Speaker, but your deputy was so you may not recollect what happened. The debate started at 10.50 Thursday morning. It then became embroiled in very controversial discussions and statements so there was no debate.

It finally got back on the rail and after hearing only three speakers, the spokespeople for the three parties, the House rose at four minutes after one o'clock. The debate lasted two hours and 14 minutes. There is not a member on the government side who ever sat in opposition who feels comfortable with a government leader

today moving an order to cut off debate with one more debate on something so fundamental.

Mr. Speaker, why did the member for Winnipeg Transcona appeal to you? You are the first among equals and the defender of minorities in this House of Commons. I totally agree with the member for Winnipeg Transcona. It is time to exercise your discretion, Mr. Speaker, in respect to the issue on behalf of all Canadians regardless of how we vote on this bill. I do not yet know how I am going to vote on the bill myself. I can tell you, though, I know how I am going to vote on this motion if it is ever put. If this is not the exceptional case that exercises the discretion of the Chair then we might as well throw away the rule book.

• (1540)

There have been some other rulings made here very recently that certainly caused disrepute to this House as far as this member is concerned.

I am winding up. Normally I would not get into this type of thing because I think the government has the right of allocation of time, but not on one of the more fundamental issues that is going to confront this country and should confront this House but which will not confront the House when in effect there is this type of guillotine hanging over one's head.

Mr. Speaker: I will hear a short intervention from the hon. member for Calgary Northeast. Please make it short.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I certainly support the intervention by the member for Winnipeg Transcona. He brought the real arguments to you and I do not want to repeat them. I think it is extremely important to have debate on this important issue. This is an important bill.

People in Canada today look at NAFTA and they ask themselves what it is going to bring. It is a big bill, a couple of thousand pages, and I think every member should be able to express the opinions of their constituents on such an important issue that brings changes to Canada in many ways.

I hope, Mr. Speaker, you are going to make the wise ruling that I know you are able to make.

Mr. Blaikie: Mr. Speaker, might I be permitted a few more comments that I hope will be helpful, having listened to what the government House leader said.

The opposition is under no obligation, it seems to me, in the rules or anywhere else to accept packages for dealing with particular legislation. We are under no obligation to accept those and therefore it is not a justification for time allocation that we did not agree to certain things.

Time allocation comes, if it comes at all, because there is a feeling that the House must now divide and that the decision must be taken. It is not because the opposition did not agree with the government House leader on certain things.

In case the government House leader has not realized it, we are not all on the same team. We have conflicting views of what is appropriate. The opposition is not here to be punished by time allocation because we have not agreed to the government House leader's predetermined idea of how long things should take.

Finally I would just say this, Mr. Speaker, if it is relevant to your decision at all, which it may or may not be, the government House leader has repeatedly used the members of the British House of Commons as an example in so far as the way it dealt with Maastricht.

As I tried to point out to the government House leader the other day, with obviously no effect, yes, the members did deal with second reading very quickly. They have a tradition of doing that there, but they also have a different tradition with respect to committee. Their committee process can be much more lengthy. In the case of Maastricht which they regarded as a quasi-constitutional issue—many of us regard NAFTA as a quasi-constitutional issue—they dealt with it on the floor of the House of Commons in Committee of the Whole.

I know that at least on March 11 the members had already spent 14 days on Maastricht in Committee of the Whole on the floor of the House of Commons and expected at that time to spend at least another week or more on the floor of the House of Commons in Committee of the Whole dealing with that.

It is quite misleading for the government House leader to suggest that somehow the example of the British House of Commons should be followed and something like Maastricht was only dealt with in six hours and therefore we should be satisfied that NAFTA should be dealt with in six hours. It is comparing apples and

oranges, and I think that is something that everybody should understand so that we never have to hear this specious argument again.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I rise on a point of order to which I would like to add without repeating anything. In fact while we are concerned about the time allocation, a second reading debate is imperfect at this point simply because all three sovereign administrations have not completed their negotiations on the parallel accords that make fundamental changes relative to the debate at second reading.

We may find ourselves in a situation where we are debating something that is incomplete and as a matter of fact is complete at this point.

• (1545)

SPEAKER'S RULING

Mr. Speaker: I am going to respond very carefully to what has been said. The facts of the matter are clear, and that is that the bill is a very important bill. All members of the House agree with that and probably the country does too.

There have been suggestions that based on another time a few years ago when I had to exercise some discretion in a difficult situation I might be able to do it again in this case. I made remarks then indicating that as a parliamentarian it was important that matters were debated for a reasonable length of time. I think that is an appropriate attitude to take.

I do though have to remind the House, and I ask the House to have some sympathy with the position of the Speaker on this, that I also have to make decisions according to the law. Sometimes it is not always understood that the Chair is constrained in what the Chair can do by the rules which this House has passed.

It is not surprising that sometimes some hon. members, or even members of the public, feel that the rules we have set for ourselves may in some cases be unreasonable or even worse. However, it is extremely important I think that the Chair be bound by those rules until the House decides to change them.

I do not want to refer to what is in a committee report that I have not yet seen as tabled in the House. The hon. member for Winnipeg Transcona suggested—in fact he stated—that there is a committee report coming that may be tabled in the House and may be dealt with by the House that addresses this question. I think he was suggesting that maybe in that report there would be some recommendation to give the Chair more discretion than the Chair has at the moment.

There have been suggestions made that in the British House under circumstances like this the Speaker does have a discretion, but it is my understanding that discretion, that power or that right is spelled right out in the British rules. The hon. government House leader has come back and reminded us of something which is also a fact, and that is that in the British House the time for debate is generally probably more brief than in this House. However, that is a matter of argument I think and is not very much assistance one way or the other to the Chair.

The rule that I have to consider is of course Standing Order 78(3)(a) and members are familiar with it. I think that it was passed in April 1991 by this House. The government House leader is correct, as I understand it, when he says that the government has followed exactly that rule. I think he is correct in that.

I should bring to the attention of the House a ruling I made on December 9, 1992. I am going to read it because again I was faced with the same difficulty that I am faced with today. I said:

> I know that the House would want me to respond to the hon. member for Kamloops and the hon. member for Cape Breton—East Richmond and the hon. member for Annapolis Valley—Hants who have raised an issue here which is, to put it simply, that it is inappropriate for the government to move now for time allocation. Some comments that I have made in the past have been quoted and I have listened very carefully to what I once said.
>
> The difficulty it seems to me that those proponents of the motion are in is that, as the hon. House leader points out, there have been changes in the rules and the government has followed exactly the course it must follow under the present rules which govern us.
>
> There has been some suggestion that when the present rules were passed it was without the full consent of all the members in the House and that may well have been the case. The Speaker's area of manoeuvre and acting on discretion is always somewhat circumscribed and in this case it is clearly very much constrained.
>
> I have to advise the House—

• (1550)

Then I went on to deal with that point. My situation at that time was that whatever I may have felt personally about the situation, I felt that I had to follow the rules that we have. If the House, which it has not done, were at some point to grant to the Speaker—any speaker—the power to judge the reasonableness of the use of this rule then I would have no hesitation in doing so. I hope I would do it on the basis of common sense on the circumstances.

Also I think I would reach back to over 20 years in this place and apply some of my experience in that manner. I have to advise the House that the rule is clear. It is within the government's discretion to use it. I cannot find any lawful way that I can exercise a discretion which would unilaterally break a very specific rule.

I have listened to this debate. I have listened to the hon. member for Winnipeg Transcona and others. For very real reasons it is a matter that should have been discussed in the House today. This is especially because the hon. member for Winnipeg Transcona was one of the active and very helpful members of the reform committee that was set up consisting of all parties some years ago and has taken a great interest in the reform of our rules.

I have to say, with I hope some sympathy and I hope some understanding from the House, that I feel I am not in a lawful position to unilaterally exercise a discretion in the face of the rule that is in front of us.

Therefore I have put the motion and I must ask the House.

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-115

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

(Division No. 454)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bertrand	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bouchard (Roberval)
Bourgault	Brightwell
Browes	Cadieux
Chadwick	Champagne (Champlain)
Chartrand	Clark (Brandon—Souris)
Clifford	Cole
Cooper	Corbeil
Corbett	Côté
Couture	Crosbie (St. John's West)
Crosby (Halifax West)	Danis
Darling	DeBlois
de Cotret	Della Noce
Desjardins	Dick
Dobbie	Dorin
Duplessis	Fee
Feltham	Ferland
Fontaine	Friesen
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Gustafson
Halliday	Hawkes
Hockin	Hogue
Holtmann	Horner
Horning	Hudon
Hughes	Jacques
James	Johnson
Jourdenais	Kempling
Landry	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacKay
Marin	Martin (Lincoln)
Mayer	McCreath
McDermid	McKnight
McLean	Merrithew
Monteith	Moore
Nicholson	Oberle
O'Kurley	Paproski
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Robitaille
Roy-Arcelin	Saint-Julien
Scott (Victoria—Haliburton)	Shields
Siddon	Sobeski
Soetens	Stevenson
Tardif	Thacker
Thompson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Valcourt
Van De Walle	Vankoughnet
Vien	Vincent
Weiner	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—118	

NAYS

Members

Althouse	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Baker	Barrett
Bélair	Bellemare
Benjamin	Berger
Black	Blackburn (Brant)
Blaikie	Blondin-Andrew
Bouchard (Lac-Saint-Jean)	Boudria
Breaugh	Brewin
Butland	Caccia
Campbell (South West Nova)	Catterall
Crawford	Dingwall
Dionne	Duceppe
Duhamel	Edmonston
Finestone	Fisher
Flis	Foster
Fulton	Funk
Gaffney	Gagliano
Gérin	Grey (Beaver River)
Harb	Harvey (Edmonton East)
Heap	Hovdebo
Hunter	Jordan
Karpoff	Keyes
Kilger (Stormont—Dundas)	Kindy
Kristiansen	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Leblanc (Longueuil)
Lee	MacAulay
MacDonald (Dartmouth)	MacLellan
Maheu	Marleau
McCurdy	McGuire
Mifflin	Mitchell
Nault	Nowlan
Nystrom	Pagtakhan
Parker	Plamondon
Proud	Prud'homme
Riis	Rocheleau
Rodriguez	Samson
Simmons	Skelly (North Island—Powell River)
Skelly (Comox—Alberni)	Stewart
Stupich	Tremblay (Rosemont)
Vanclief	Venne
Wappel	Whittaker
Young (Acadie—Bathurst)	Young (Beaches—Woodbine)—88

PAIRED—MEMBERS

Campbell (Vancouver Centre)	Charest
Clark (Yellowhead)	Hopkins
Jelinek	Kaplan
McDougall (St. Paul's)	Milliken
Rompkey	Wood

• (1635)

[*Translation*]

Madam Deputy Speaker: I declare the motion carried.

MEASURE TO ENACT

The House resumed from March 25, 1993, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-115, An Act to implement the North American Free Trade Agreement, be read the second time and referred to a Legislative Committee in the Departmental envelope and the amendment of Mr. MacLaren (p. 17560).

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, my distinguished colleague, the Minister for International Trade, before this House and throughout this nation has made a solid case for the North American Free Trade Agreement. It is the vision and the courage of the Prime Minister, and that of my colleague the Minister for International Trade, and all in our government, that has opened a bold opportunity and a new window for Canada in this hemisphere.

[*English*]

Let me say at the outset that it is regrettable that our friends on the other side, especially the NDP members, use every trick in the book to try to prevent debate on the real substantial issue of the North American free trade agreement.

I saw last week and earlier today where time was lost on procedural arguments instead of debating the substance about which I am sure Canadians want to hear, that is the NAFTA agreement itself.

• (1640)

[*Translation*]

This agreement will allow all Canadians to realize the rich potential of the world's largest trading market. It will further a regional alliance which shall grow even further in the future, to include other nations, serving our national interests and those of all others in this hemisphere and all in the global trading system.

Over the last eight years, our government has taken the right steps at the right time, from the outset of our mandate in 1984 to lay the foundations for economic growth. Inflation is beaten back, interest rates are at a 20-year low, exports are surging, and business has become increasingly competitive with our access to the global marketplace. And now we are taking one more step forward in a consistent, coherent, and, yes, courageous way with the North American Free Trade Agreement.

NAFTA will help us improve our economy in two ways: it will create more new and high paying jobs here than any low wage jobs it costs, and it will protect Canada's place in the U.S. marketplace, our most important customer. I especially rise in this debate to address the issue of labour adjustment. That question has become the focus of a great deal of attention, in some ways sidelining other issues which are also of great importance. As Minister of Employment and Immigration, I am aware of the tragedy of unemployment, and the personal trauma of finding that technology has made

obsolete the hard-earned skills which served workers well in another era and generation.

Now technology and knowledge are replacing traditional industries as the building blocks of prosperity. You hear it everywhere, but it is a reality. Since the industrial revolution, old technologies and infrastructure have been forced aside by new technologies and the opening up of new markets.

Some industries decline, while others emerge as growth generators. As this happens, we see unemployment of displaced workers while employers in the new sectors complain they cannot find enough workers with the necessary skills. This is not a new phenomenon. The only difference today is that the change of pace has picked up dramatically.

By the year 2000, almost half of all new jobs will require more than five years of education and training beyond high school. Highly educated workers will be at a premium. These highly productive workers will receive high wages.

That is what we should be preparing ourselves for.

We should not be worrying about lower paying jobs moving to Mexico, because Mexico has not moved as rapidly along the path of development and industrial change as has Canada.

[*English*]

There is only one way to compete in this new age for jobs or business, and that is through learning, education, training, skills development and entrepreneurship on a lifelong, never stop basis.

Our economic success depends first and foremost on the cutting edge skills and forward thinking attitudes which people bring to the work place. We use technology to improve productivity. We have to be sure we have guaranteed access to a growing market for our goods and services.

• (1645)

As the world is forming trading blocs, access we have counted on in the past may not always be there. It only makes sense to reject the pleas of those who lack confidence in Canada and its workers, to put ourselves in a position to seize this unique moment and to move forward.

I am not saying NAFTA will not require changes in the way we do business in Canada, but I echo the sentiments expressed in the report of the Economic Policy Council of the United Nations Association of the United States. That distinguished labour-business forum explores the implications for business and labour on an increasingly interdependent world economy.

Its report entitled *The Social Implication of the North American Free Trade Agreement* states: "NAFTA will be only one of many factors causing structural change in the economy". I agree with that, and that is why I also concur with the EPC in opposing the creation of special NAFTA adjustment programs.

[*Translation*]

Moreover, the report urges consolidating existing adjustment programs as well as expanding these programs to cover most displaced workers. It points out that only a small fraction of eligible workers benefits from these programs today.

It says that adjustment assistance should provide health benefits and enough income support to enable displaced workers to enter retraining programs.

Finally, it recommends only business-labour certified retraining programs be eligible for government subsidy. Long before NAFTA was on the horizon, we began to make a number of moves in response to recommendations of the Advisory Council on Adjustment headed by Mr. Jean de Grandpré.

[*English*]

The Labour Force Development Strategy was established in part to respond to the key recommendations of the de Grandpré commission. One of the most significant moves was to begin the shift away from using our now $20 billion plus a year unemployment insurance program as a passive income assistance system to a more active investment program to access employment and training.

We must continue to move in this direction using all our social programs to empower people with solutions, knowledge and choices.

We talk about the need to create an opportunity society that offers the chance to be productive at every stage of every person's life. We are already dedicating vast resources which could be reoriented in this way. Our UI program is more comprehensive and generous than

that offered in the United States, and 80 per cent of Canada's unemployed workers receive benefits as compared to 35 per cent in the United States. We spend three and a half times more on UI per capita than the United States. Government spending on training in Canada is twice that of the United States.

We now need to lever Canadian employers to increase training expenditures by dramatic proportions to at least match U.S. private sector levels.

The Canada Labour Force Development Board and regional and local boards are beginning, in partnership, to strongly encourage private sector training. In 1993–94 the government will spend $3.8 billion on labour market programs. That is 80 per cent more than we were spending in 1989–90. Training and adjustment, supported by the UI program in 1993, will account for $2.21 billion, four and half times the 1990 level.

We have a way to go. Canada is still spending more per capita on passive labour market measures than any other G–7 country. We rank 15th among all OECD countries.

• (1650)

Through our national sectoral human resources planning initiative we are furthering partnerships of workers, employers and other stakeholders to develop comprehensive development strategies. Over two million workers in Canada are benefiting from more than 900 planning agreements.

We are also implementing a new initiative aimed at providing training opportunities for workers with a demonstrated longer term attachment to the labour force. That is a first in Canada. No government has ever targeted these displaced workers to give them the kind of tailored programming assistance they need to reintegrate into the labour market. Of course no one on the other side wants to talk about these initiatives for longer term attachment of people to the labour force.

We have a program to promote the swift reintegration into the work force of workers displaced by economic changes of any kind. For non–UI recipients we have the Canadian Jobs Strategy which spent $1.6 billion to provide a wide range of services to help Canadians enhance their employability.

[*Translation*]

In short, we are using new skills, innovative approaches and new dollars so workers can rebound quickly and liberate their own potential, rather than creating safety nets which trap for life so many of those who land in them lost to the numbing grip of dependency. There could be nothing we could regret more than to let the NAFTA opportunity founder and then watch Canada sink behind, cut off from the potentially explosive growth of the nations of Latin America.

I invite my hon. friends, the members opposite, to reject short term political considerations, to reject appeals to unfounded fears, to face squarely the reality and opportunity of these times.

Join with the government in taking credit for having supported a progressive trade agreement which enhances the future for all workers, all Canadians.

On March 28 *The Toronto Star* quoted the hon. Leader of the NDP as calling for members to "kick butt" in opposing NAFTA. Honourable members will know that this is not the kind of language I usually choose to use, but if that be her call and those of her fellow travellers—the Maude Barlows and Bob Whites, et al—I suggest they have chosen the wrong butt.

Targeting the FTA and now NAFTA may gain a quick sound bite and a fleeting image of commitment to the unemployed or those fearful of losing jobs, but the evidence is simply not there to support these wild allegations.

I remember that Canadians heard during the 1988 election campaign prophets of doom who used absolutely every possible means to scare people in the different regions of the country, and particularly in my province of New Brunswick and in all of Atlantic Canada, among other things telling our seniors that they would lose their social safety net, predicting the sale of schools to Americans, telling people back home that their children would be drafted by the American army. It was unbelievable. Now they are at it again, trying to scare Canadians with the North American Free Trade Agreement.

Engaging in a phoney war in an attempt ot make political hay on misplaced fears and insecurities will back fire in the face of the facts and the only thing that will get butted, to use the expression of the NDP leader, is the purveyors of such distorted logic.

The window of opportunity today is momentarily open. Let us go ahead and use the solid agreement that we have, as well as the assurance and the confidence flowing from this new trilateral partnership, and also our own strength and our own ability as Canadians to face new challenges as well or better than anyone else in the world.

• (1655)

My colleague, the Minister for International Trade, demonstrated on several occasions in this House that the economic recovery and the current growth are the results of our exports. Yet these people would still want to isolate Canada, put up smoke-screens around our country and keep us here because, according to them, we are not good enough to be competitive.

[*English*]

We are not good enough to compete. We are not trained enough. We are not trainable. We should stay here. The island of Canada should close itself to the world. That message of our friends on the other side is a great misunderstanding of the Canadian population.

Canadians are a hard working people who have faced many challenges in the past. We were able to meet those challenges because we were there. We did not shy away from the challenge. I know that for business, labour and all those communities across Canada that want to move forward the North American free trade agreement will be a great success.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, let me say first that if this was not such a sad and shameful day in the history of this country I would be amused by the hon. minister's remarks.

This is a minister who says that things are coming up roses in Canada but as minister of employment does not acknowledge that there are 1.6 million Canadians unemployed. Next to Spain, that is the highest unemployment rate in the entire OECD community. He says: "Look, it is all these phantom fears that are out there. People are happy. They are thrilled at the opportunities being provided by this government under the free trade agreements".

The fact of the matter is there is not a household in this country that has not been severely injured and hurt by the policies of this government. It is the highest unemployment rate in the OECD world. Of course the problem is that we have ministers of the Crown who do not understand that. They never talk about it. It does not exist for them. What did the minister say? He said: "It is a smoke-screen out there".

There is no understanding of the real issue which is that people want to work. They want to do so with a certain sense of dignity and honour. This is what the debate is really about. It is giving those people a voice, trying as hard as we might to ensure they can be heard and to break through the wall and cloak of silence that has been put upon them by this government.

Madam Speaker, do you realize that with the vote this afternoon closure has been used in this House 25 times since 1988? That equals the number of times closure was used from 1913 to 1988. In four years this government has used closure more often than all the other governments going back to 1913.

That is a direct demonstration of the kind of disdain the Minister for International Trade and his colleagues have for the Canadian people. They do not want to give them a chance to be heard. They do not want to hear a dialogue or a debate. They simply want to close the door so that they cannot hear the real voice of the Canadian people. The real voice is saying that these kinds of arrangements concocted in the back rooms, in the wealthy eating clubs the Minister for International Trade frequents, are not working in the interest of Canadians. They are not working in the interests of other working people around this continent.

• (1700)

I found it interesting when I went back and read the remarks of the trade minister. It was fascinating how he attempted with all the skill of his public relations manipulators to try to put a gloss on what has been taking place. He said that exports in 1992 reached a record high of $157 billion. What he did not say was that imports also reached a record high. In fact our global trade surplus in 1992 is the smallest going back to 1981.

Our trade surplus in 1982—this minister loves to talk about the difficult times of 1982—was $17.7 billion. The trade surplus last year was $9.5 billion. Let us look at some other figures. The real imbalance—

An hon. member: You did not take the time to debate the matter.

Mr. Axworthy (Winnipeg South Centre): Oh, the thin skin of the hon. member.

Mr. Wilson (Etobicoke Centre): I rise on a point of order, Madam Speaker. I wish to caution my friend. We are talking about the NAFTA. He is using figures that relate to our total trade and not to the Canada–U.S. trade. If he used the Canada–U.S. trade figures he would know quite clearly that—

An hon. member: That is debate and not a point of order.

Madam Deputy Speaker: I think the hon. members on my left will want at least to let me hear a sentence before declaring that it is not a point of order.

Probably the hon. minister will want to take the opportunity of question or comments to rise and put on the record whatever he wants on the record.

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, I hope you will not include the time taken up in this frivolous intervention of the thin-skinned minister who cannot stand to hear the truth as it comes out in this House.

Let us deal with something he talked about in the United States. Let me just go back to the figures from Statistics Canada that relate to our trade with the United States.

Our cumulative trade surplus for the four years before the free trade agreement was $69.1 billion, which was 14 per cent higher than the four years after the free trade agreement. Here is the minister saying what a great accomplishment it is, but the fact of the matter is that our trade surplus is far less after 1988 and the free trade agreement than it was before.

The minister is leaving the House. We now finally have won the debate and he retreats from the field because he cannot stand the heat. He cannot stand the heat because he knows that the figures provided by the agency of the government, Statistics Canada, totally refute the absolute nonsensical figures that he has tried to display in this House during this debate. He is certainly a stranger to the truth, a stranger indeed.

The minister tries to suggest that the global trade surplus does not matter somehow. What he does not want to recognize or acknowledge is that since the free trade agreement we have run a decline or a net deficit with every other trading area of the world except the United States. He has forgotten that Canada as a nation of international traders must have a diversified trade base. We must trade with the Pacific Rim, Europe, Central America and Latin America, but the fact of the matter is that our trade is going down with the rest of the world.

We have less of a surplus with the United States. Our trade is going down around the world and we have a Minister for International Trade who walks around with rose-coloured glasses and says that things have never been rosier and things have never been better.

Try telling that to 1.6 million Canadians because they are the living evidence of just how wrong this trade policy has become. The reason this government has used closure 25 times—more than in the entire history of Parliament—in the last four years is that it is the only way it can use its bludgeoning majority to get its neo-Conservative legislation through this House. It knows the Canadian people will not stand for it otherwise. Just like the minister who retreats from the House, it cannot stand the heat. It cannot stand the truth. It cannot stand to deal with the real facts.

• (1705)

The Acting Speaker (Mr. Paproski): Please, the minister is in the House.

Mr. Axworthy (Winnipeg South Centre): He is sitting in the back row, a position he will be occupying for the next four years once the election is called. He is just practising. He is warming up his seat in the back row where he will be sitting for the next four years. That is the best case scenario for this minister. If the people in his riding have a chance, he will not even be sitting in the House.

It is also important to point out something very important. This example of misuse of figures is an attempt to use the propaganda machine of the government to mislead Canadians. It is another example of how

the NAFTA bill is really used to masquerade the kind of programs that only this government is left implementing.

Around the world governments are changing because they realize there has to be a more activist, public minded, public interest form of government. Their cronies in the old administration in the United States have now been booted out, which will soon happen here. That is the reason the government is rushing the legislation through. That is the reason we are into this crazy acceleration of legislation when the other partners to the agreement have not even begun to look at it yet.

Is it not interesting, is it not fascinating that the present U.S. administration said that it must begin to look seriously at questions dealing with labour standards and environmental standards to protect the interests of American workers, American plants and American businesses? Our own government is not prepared to stand and say the same for Canadians. It is not prepared to get up and say that it also thinks there should be serious safeguards on labour, serious safeguards on the environment, serious safeguards against the countervail duties and the harassment by the United States.

It says there is no need to think about changes. It is all driven by that maniacal desire to get this legislation through as the last cornerstone in the crown of this discredited Prime Minister, who is being booted out by public opinion in Canada because he is afraid to stand and take the heat just as the Minister for International Trade is afraid to take the heat.

What we are putting in jeopardy and danger once again are the interests of Canadians because we have no policy and no program to make sure they are properly incorporated in these trading arrangements.

What further evidence do we need than the kind of information now coming out in the United States on the question of the drug patent law? A senior senator of the United States, David Pryor from Oklahoma, has written to his trade representative and said they should not do NAFTA because within NAFTA are prohibitions to bringing in compulsory licensing arrangements that will allow them to keep our drug prices at a respectable modest rate.

Yet within this NAFTA bill Canada, which already has compulsory licensing, is taking it out. We see a report in today's paper that Canada presently leads the world in high cost drugs in 40 to 100 items. Is that something to be proud of?

I want to say this to members opposite. Are they really pleased when they go back into their ridings and speak to the seniors who have to use more drugs? Are they pleased when they speak to people on lower incomes who have to pay more for drugs? Because of this legislation, because of their initiative, they are now forcing people to pay prices which are the highest in the world.

Government members are going to vote for a bill that will entrench that in an international agreement so that a future government, a few months from now after the election, is going to find it more difficult to renegotiate. They are going to rush it through and hammer it through by means of closure and time allocation. Is that something that they can be proud of? Do they want to put in their householders that drug prices have escalated by 30 per cent or by 40 per cent and that they are going to entrench and prohibit any remedial action even though our partners in the United States are saying they had better start doing the same thing?

Senator Pryor is saying to the trade representative, do not sign the agreement the way it is because it will prohibit us from bringing in the kind of measures that the Canadians used to have. What a strange way of turning logic, truth and rationality on its head. What a terrible transgression this government is committing against the people of this country by pushing through this bill without any consideration of their interests.

• (1710)

It is fascinating watching the Tory leadership campaign. They are all out there saying they must bring down the cost of government and health care has to be amended, so let us bring in user fees. Yet by this very action alone, the vote they are going to take tonight on NAFTA, they will be pushing up drug prices and therefore causing every health care scheme in every single province in this country to pay 10 per cent to 15 per cent more.

Yet these are the same people, the Minister of National Defence and the Minister of the Environment, who are out there with all the fervour at their command saying they have to do something about health costs. The most important thing we could do about health costs is defeat this bill and defeat this government so we can at

least keep drug costs down and not have them escalating to $300 million, $400 million or $500 million a year.

What a terrible travesty of justice and truth is being committed. How can anybody take this new politics seriously? The new politics is simply a smoke-screen for the old slimy, sleazy way of dragging and pushing people into the ground. That is what this bill is all about. Those members on the government side who have a scintilla of integrity left have only one choice, and that is to vote against this bill for the sake of the people in their own ridings.

The people opposite, and I heard the Minister of Employment and Immigration, like to say that they think Canadians can be competitive, they think we can run globally, and it is the other side who is trying to be protectionist. Not so, that is not the case at all. Mr. Speaker, do you know what this bill also does? Do you know what is contained in NAFTA? There are a number of discriminatory clauses in the NAFTA bill that prohibit and set up discriminatory clauses against other countries with whom we want to do business.

I come from western Canada. We are now beginning to do more trade with the Pacific Rim than with the United States. Yet it was not so long ago when I was on a trip to Japan and met with senior officials of the Japanese government who said to me directly that in the NAFTA arrangement there are at least five or six major areas that discriminate against other countries. We are trying to diversify our trade at a time when the world is changing so rapidly, with so many opportunities out there to trade with a wide variety of countries, and what are we doing? This government is bringing in a bill that builds a wall around the continent and sets up discriminatory trade arrangements.

I will explain what the result will be. This kind of trade bloc mentality will force other regions of the world to do the same. We will end up with a war between trading blocs, which is the worst kind of circumstance that we could possibly have.

Textiles, financial services, banking, and content rules all basically say to other trading partners in the Pacific Rim that they are not as equal as the Americans or the Mexicans. How do we go and present ourselves as an honest, open international trader when we are discriminating against those potential trading partners?

Contrary to the arguments, we are trying to say that the future of this country does lie in an international trading arena and in making sure there are fair, open trading rules that apply equally to all countries. We should not set up discriminatory trading blocs that compete with one another. As Canadians we should be looking to the wide world so we will not suffer the kind of trade decline in which we have a net decline with every other trading region in the world and our trade is decreasing.

That is why we have said time and again, we said it during the debate on the free trade agreement and we say it now, that the most important trading arrangement that Canada belongs to is the General Agreement on Trades and Tariffs. It is an international agreement. It sets out rules that apply to everybody equally. It has a dispute settlement system that is based upon a definition of subsidy that is not unilaterally decided by one country, as it is under the FTA. It resulted in Canada being able to lower tariff barriers, to escape from the kind of harassment that we have had for the past four years, and to ensure that there is equal treatment for north, south, east and west and countries around the world.

• (1715)

I cannot and would not want to represent the views of the NDP but I can tell you what are the views of this party. We are true international traders. We believe that the future of this country exists in broadening, diversifying and opening up all kinds of new trade options. One of the reasons why NAFTA does not fit the bill is because it closes off options and replaces the GATT with a regime that is not nearly as good. It sets up, as we have just seen with the drug patent law, prohibitions and restrictions on the rights of Canadians that do not exist under the GATT.

The true protectionists are these continentalists across from us who are trying to draw the Canadian trading option into one region, one area, one place and forgo the opportunities that exist around the world.

The real secret to Canadian economic prosperity, to recreating the opportunity for jobs and growth and development is to see a horizon that circumvents the entire globe, that sees the opportunities in the Americas, not through the kind of agreement that restricts but one

that takes in the entire hemisphere, that opens up our opportunities in the Pacific Rim where we want to be honest, open and fair traders and not discriminate against them.

That is the real choice for Canadians. That is the choice that will be coming from the electorate. I say that NAFTA will not be a *fait accompli* because the Americans are not going to complete it by then. The only country that is having it rammed through its legislature is this country by this government. The rest of them recognize that their own people need time for debate, time for dialogue, time for proper examination. That is what we want Canadians to have. We think that if we had that time and that opportunity, we would have a trading policy and a trading strategy which would give Canadians that opening to the world we so desperately need.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I listened to my hon. friend and I am not accustomed to his using such intemperate language. When I hear him talk about slime and sleaze on this side of the House I cannot help but wonder if he was at Question Period today when some of his colleagues tried to take advantage of the deaths of 26 miners for their own political advantage.

But let us talk about trade, that is what the debate is about here today. My friend quotes statistics with reckless abandon. I might say he uses statistics the way a drunk uses a lamp post, for support instead of illumination. Let me give him some statistics. This is the result of the FTA. Increased merchandise exports to the U.S., up 19.2 per cent; record setting merchandise exports to the U.S.; increased share of the U.S. market; increased foreign direct investment in Canada; increased capital investment in Canada. These are the results of the FTA.

We have used NAFTA as an opportunity to accrue even greater benefits, an improvement to the fair and objective dispute settlement mechanism. It will facilitate greater business travel, security against new U.S. protection laws. I could go on, but I think the point and the facts are there. NAFTA is compatible with the GATT and I am sure my hon. friend with his knowledge of trade is perfectly well aware of that.

Nothing in NAFTA is going to prevent the initiatives that the government has taken to increase trade in Asia, the Caribbean and in other parts of the world.

I say to him, very simply, we know where this party stands; four square behind NAFTA. We know where the NDP stand; totally against it. Who speaks for the Liberal Party, that is my question to my hon. friend. Is it him, the isolationist; or is it his friend from Etobicoke North, the free trader? Who speaks for the Liberal Party? Or is that why the Liberal Party's position on this trade deal is wishy-washy, somewhere in between?

The Acting Speaker (Mr. Paproski): I guess that is a question.

Mr. Axworthy (Winnipeg South Centre): I suppose, Mr. Speaker, that among that pile of voluminous verbiage we just heard, there may be a small inkling of a question and I will do my best to try to discern it.

• (1720)

Let us begin with the question of statistics. I hope my hon. friend will remain to hear this. Perhaps he was not in the House when we first spoke. I want to point out to him that if he looks at the trade performance with the United States prior to the free trade agreement and after the free trade agreement, he will see that we had a higher trade balance with the United States before the FTA than we have today.

If the FTA is so great, we should have been able to exceed that performance, but we did not. In fact, it is lower than it was in the four years prior.

Let me also point something else out. I do not think it is an inconsequential factor. I know the Minister for International Trade dismissed it because this is not a minister for international trade but a minister of continental trade. He does not care about what is happening internationally. I want to point out to him that once again our global trade surplus in 1992 was the smallest we have had since 1981. In a 20 year period ending 1992, we had the smallest global trade surplus of any year because we lost our trade option around the world.

Let me also point out, and I think it is very important to note, that most of our trade balance that the minister likes to talk about as being so exciting in 1992 was driven by the automotive trade which had nothing to do with the free trade agreement. That goes back to the Canada-U.S. auto pact which our government negotiated way

back when. It was not affected by the free trade agreement, by the acknowledgement of their own errors.

I simply want to point out to the hon. member that when we use figures in the House, we use the real figures, not the kind of dream figures that the Minister for International Trade wants to use.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, it will be a comment with a brief question.

I would like to give the House the benefit of what is happening in Chesterville in the riding of Stormont—Dundas presently which I think is very relevant to today's debate.

Nestle Canada has a plant located at Chesterville in my riding of Stormont—Dundas. Last Saturday the company locked out its production line workers, 220 of them, after their union rejected a proposed contract offer from the company which included a continental work week.

The company states that its employees must accept a continental work week and give up premium pay for working on weekends if the plant is to be competitive in the North American marketplace.

The Chesterville plant exports 70 per cent of its products to the U.S. and it faces competition from other Nestle plants both in the U.S. and Mexico. In addition, those products made in Mexico are usually cheaper to produce, given the much lower wages paid to their employees there.

The Nestle situation is an indication of what is to come for Canadian workers if NAFTA goes ahead without any safeguards to protect Canadian workers. The current recession has crippled the Canadian industry. The Canada–U.S. free trade deal has taken its toll and now our workers will have to face NAFTA.

Workers at Chesterville are being told that unless they accept significant changes to their work schedules and give up weekend pay rates, they will not be able to compete with their own plants in the U.S. and Mexico.

It is obvious that with the precarious state of North American trade and the inequality that exists within free trade deals like NAFTA, companies like Nestle have no choice but to pit one of their own plants against other plants of their own.

For Canadian plants this means paring down employee wages, benefits and working conditions. Moreover, no matter what happens, it is highly unlikely that Canadian plants like Chesterville will ever have the opportunity to compete on a level playing field with plants in Mexico, given the low salaries and lack of benefits provided to workers there.

I want to ask my hon. colleague, the member for Winnipeg South Centre, if he can explain why the present government is pursuing NAFTA with such a vengeance and why the government is enforcing time allocation, forcing a vote on second reading of Bill C–115 today.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, your generosity is much appreciated.

I say to my colleague from Stormont—Dundas that we should not be surprised if the government uses closure on this bill because it has used it 25 times since 1988. It has used it more often in the last four years than it had been used in the previous 70 or 80 years.

It has become a way of life. They are narcotic. They know that they cannot take the heat and the pressure of an ordinary proper political dialogue in the Parliament of Canada so they shut the place down. They use it like a hammer to bludgeon Canadians into accepting without any opportunity for a response.

I want to say to the hon. member that I think he makes a very important point about what happened in his riding.

• (1725)

It is a point that all members of this party have been making unanimously, with one voice. We need to renegotiate this agreement. We need to find ways of ensuring that this kind of disparity in labour and environmental standards will not be used to provide for major transferences of companies from one area to another.

The companies will not have that kind of sink–hole to use to say: "We will move to a place where we do not have to make sure the water is clean, the air is fresh or that the workers get proper protection. We will go where anything goes".

You would have thought after the horrible experience of the free trade agreement when we had a haemorrhaging of jobs across the border that the government would

have taken the opportunity offered to it by the Clinton administration to do the same thing.

Instead, the minister of trade gets up and says to the Prime Minister: "It is not in our interest to do that". No. They define their interests narrowly according to the very small group of power brokers who run this party across from us. They are dictating the economic life of this country. They do not understand that there is a broad range of Canadians out there who also have some rights, the right to prosper and the right to have a job.

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I am pleased to speak for a short time on the objectives and overview of NAFTA.

On August 12, after 14 months of negotiations, Canada reached agreement with the United States and Mexico on the North American free trade agreement.

This trade agreement creates the world's largest free trade zone. Contrary to what the opposition would have Canadians believe, it will make Canada more competitive and help secure Canada's prosperity.

Canada could ill afford to be excluded from a free trade agreement within the United States and Mexico. Some say we should have stayed away from the table, ignored what was going on around us, buried our heads in the sand. I ask these people, would our interests be served by letting the United States and Mexico go it alone? They would not and Canadians know this.

Canadians do not stand still and watch the world go by as some people would have us do. No. Canadians protect their interests, pursue opportunities and rise to new challenges.

Some say involving Canada in the North American free trade agreement comes at the price of missing other opportunities to expand our exports. This is simply not true. Quite the contrary. Participation in NAFTA extends and improves these opportunities. By competing successfully in an expanded and dynamic North American market, Canadian companies will be better positioned to compete in the markets around the world.

The NAFTA goes to the heart of Canada's fundamental interests as a nation that depends on trade. If Canadians did not sell the goods and services we produce at home to buyers in other countries, one out of every four Canadian jobs would disappear. It is as simple as that.

Canada got involved in the NAFTA to protect those interests and to take advantage of opportunities that will strengthen our global trading position. Globalization is something we have been hearing about for a while now. While it has become something of a buzzword its meaning is quite clear. Simply put, globalization describes emerging production and marketing techniques that take advantage of the best of the world. For example, a single aeroplane may be designed by engineers in the United States and Germany, use parts made in Ontario and Korea, be financed by banks from Tokyo and London and be marketed around the world.

By participating in the NAFTA Canada is signalling its willingness to take advantage of globalization. The NAFTA shows we are willing to continue changing and it shows we are looking to the future, ready to face the challenges and opportunities presented by the new economic climate in Mexico.

The North American free trade agreement will benefit all three participating countries by increasing trade and prosperity. In particular, the NAFTA will help the Mexican economy develop. It will allow Mexico to attract investment and it will provide new opportunities for the Mexican people.

The NAFTA ensures that Canadian knowledge and expertise will help Mexico achieve a higher standard of living while increasing Canada's own export trade.

• (1730)

The fuller integration of Mexico into the North American economy will reinforce economic, trade, monetary and fiscal reforms already undertaken by Mexico. This will result in a more prosperous Mexico, a Mexico better able to manage its debt and in a better position to import Canadian goods and services.

Mexico offers a market of over 85 million consumers. As Mexico's economy expands and its prosperity grows, so will its demand for increasingly sophisticated imports.

When we told Canadians we would participate in the NAFTA negotiations we set out three objectives: better access for Canadian goods and services to Mexico; strenghthening the benefits of the Canada–U.S. free

trade agreement; and improving our access to the world's single richest country. This guarantees Canada's status as a highly desirable location for investors to serve the North American market. We met these objectives, each one. What we did in the NAFTA is what we said we would do all along.

Mexico is one of the fastest growing and most promising markets in the world. But in the past it has been a very difficult market for Canadians to penetrate. When Canada got the opportunity to secure access for our exporters it was only logical to pursue it.

NAFTA removes the tariffs and other barriers which made selling to Mexico tough. As a result Canada now has guaranteed access to 85 million Mexican consumers and their growing spending power. This means benefits and new opportunities for Canadians and Canadian businesses from coast to coast.

When Canada got involved in the NAFTA we were determined to build on the benefits of the free trade agreement without giving up any of the advantages we already had and we did that.

The NAFTA clarifies rules of origin and improves customs operations. This will prevent any unilateral interpretation of trading rules such as what happened in the Honda dispute. As a matter of fact, the NAFTA resolves the problem we had with exports of the Honda Civics produced in Ontario.

The NAFTA covers many services that were not in the free trade agreement. It makes it easier for business people and professionals to travel for work to the United States. NAFTA enlarges the quotas for Canadian textiles and apparels shipped to the United States. The NAFTA strengthens and makes permanent the free trade agreement's dispute settlement mechanism so that Canadian exporters will get fair and unbiased treatment if they are the target of a trade complaint.

These and other improvements mean we now have an even better system to ensure that Canadian businesses can compete with those in the United States. And we did it while protecting important Canadian interests such as cultural industries, agricultural supply management, medicare, social programs and the environment. Yes, Mr. Speaker, I said the environment.

Since 1984 the Government of Canada has worked diligently with all sectors of the Canadian economy to renew and strengthen our economic position. The government undertook a plan that looked to the future rather than to the past. We were determined to confront the emerging global business environment and maintain our position as a leader in world trade.

New patterns were arising. Companies were not just doing business in different countries, they were spreading their operations across continents and around the world. This brought new challenges to Canada. If we could not be competitive there were plenty of other economies ready and waiting to do business.

The government saw these changes and realized it could do two things. If we ignored them, they were threats to the society that makes Canada the envy of the world, but if we accepted them and used them to our advantage they would ensure the future prosperity of all Canadians. Canadians are already part of the global economy.

As a nation Canada was founded on trade. Our success in selling goods and services to other countries has helped make Canada one of the wealthiest countries in the world. It has paid for infrastructure and social programs that are the envy of the globe.

• (1735)

Today our prosperity still depends on the sale abroad of more than 25 per cent of all we produce. As a country with a relatively small population, we must continually look beyond our own borders for new markets and opportunities. Success does not happen overnight. Building our competitiveness will be a painstaking process requiring concerted efforts from all sectors of our economy.

It will not be an easy task, but it is a vital one if Canada hopes to maintain its secure position in the global marketplace. It is a task we are confident of achieving by building partnerships with all sectors of the economy.

Canada has not been immune from the global recession. We have endured tough adjustment to technological development and to the globalization of production and market. But studies by independent organizations such as the University of Toronto indicate that the free trade agreement has helped stimulate growth, lowered the rate of inflation and cushioned the severity of the

recession in Canada. Without the free trade agreement the economic effects of the recession would have been much more severe.

The free trade agreement is providing Canadian business with the incentive to restructure, to prepare to meet global competition and to create the basis for our continued prosperity. The North American free trade agreement strengthens the foundation for global competition laid down in the free trade agreement.

Exporting is one of the main engines of growth and job creation in the Canadian economy. Exports account for one in four or over three million Canadian jobs. It is therefore essential that Canadians be able to compete effectively in international trade.

We guarantee our future not by running from global competition but by meeting it head on, by equipping ourselves to compete with the best by ensuring that we have in place the economic conditions needed to be competitive and by making world markets accessible to our products.

So the cornerstone of our plan was to ensure Canada became more competitive. This is happening. Lately Canada's productivity has seen remarkable gains and our ability to innovate and find smarter and better ways of doing business increases all the time.

Part of being competitive means having access to foreign markets and to be frank, it also means having to face competition. This is nothing to worry about because it will improve our performance. If you want an example, just take a look at the Olympic athletes. Any sprinter will tell you that the fastest times happen not in isolated practice sessions, but in the final heat when the world's best are racing side by side. By competing with other producers, Canada's industry will become better, stronger and more innovative.

I am confident that Canada can compete successfully in any arrangement that has fair and clear rules. That is what NAFTA is all about. By giving us access to foreign markets and establishing the rules of the game, NAFTA will help Canadians succeed and prosper in North America and around the world.

Hon. William C. Winegard (Guelph—Wellington): Mr. Speaker, everyone in this Chamber today will remember what I choose to call the great debate of 1988, when one of the things that seemed to be at issue was that we were going to lose all of our water if we proceeded with the free trade agreement. You will remember that all of our water was going to be diverted. The Americans could hardly wait to get their hands on it. All of our rivers and lakes, we were going to pump it all down to California. Remember, within a few months it was going. We know what nonsense that was.

I wonder if I might ask my colleague who has just spoken if she has some thoughts on whether the North American free trade agreement will protect our water the same as the FTA protects our water, the same as the Canadian water policy protects our water.

We have had this raised in the last few days. Can we not put it to rest?

Mrs. Anderson: Thank you very much for the question. The large scale export of water is not covered in NAFTA and it is not covered in the free trade agreement. It never has been and never will be because that is not a good to be transported. It has never been an issue at the GATT and there is nothing to force Canada to construct a canal. Since we do not sell water now there are no terms which would be subject to dispute.

• (1740)

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Bill C-115, the North American free trade agreement, is before this House today. Today also—

The Acting Speaker (Mr. Paproski): There are two 10-minute speeches. The next was the Minister of Transport. I regret the hon. member for Mount Royal. I will recognize her next. The Minister of State for Transport.

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, I thank my hon. friend across the way for ceding the floor to me.

Four years ago when Canada entered the free trade agreement with the United States what we were actually doing was creating the largest bilateral trade relationship in the world.

Today there is clear evidence that the foresight shown by this government, and indeed it was foresight, has been of tremendous benefit to Canada. These benefits were confirmed in a study that was released by an independent group in October 1992. That group, the C.D. Howe

Institute, said that Canada's merchandise and service exports have thrived in most sectors that were liberalized under the FTA.

Canada has gained the most in exports of non-resource-based, high value-added manufacturing products to the U.S. These are the areas in which our future lies.

This government has taken the country out of its shell and has prepared it for the 21st century. All of the success has occurred during a world-wide recession. Just imagine what we can achieve during the recovery period in which we are now entering.

That is the reality of the situation. During a world-wide economic downturn Canadian exports to the U.S. grew not 1 per cent or 2 per cent and not even 9 per cent or 10 per cent, but nearly 20 per cent in the short time since the FTA has been in place.

Last year Canada enjoyed an all-time record in merchandise exports to the U.S. of $122.3 billion. In December 1992 the trade surplus—that is right, trade surplus—with the U.S. was $2 billion. That is an increase of over 26 per cent over the previous month.

Canada's exports to the U.S. even outperformed Japan. They are considered an economic powerhouse by everyone, even in the opposition, but Canada outperformed them and that is because of the FTA.

Like a great architect, this government knows that one must have a solid foundation before one can build a house. That is what the North American free trade agreement will do. It will add and build on the success of the FTA. It will not diminish what we have worked so hard to obtain but rather it will complement and strengthen what can be.

NAFTA incorporates many of the elements of the FTA and adds to them. Every decision in the deal is not perfect and we realize that in the end even politicians are human.

After four years of the FTA, the government identified certain mutually agreeable improvements and included them in the NAFTA. Each one of these went through the ultimate test: Will it benefit Canada? In every case the answer was a resounding yes. Some of the improvements that were made are the inclusion of fairer and more stable rules of origin, intellectual property rights, a significant expansion of the government's procurement opportunities and of course the inclusion of Mexico and giving Canada access to one of the fastest growing markets in the world.

When we entered into NAFTA talks in 1991 we had three broad objectives: first, to give Canada better access to the Mexican market; second, a trilateral agreement that would provide greater security for Canada's access to the U.S. market while maintaining the benefits that we achieved under the FTA; and third, it would be in Canada's interest if it preserved our status as a preferred location for investment. All of the objectives have been met.

The one thing that must be pointed out at the very beginning is that Mexico was already enjoying free trade with Canada but it was only one way. Roughly 80 per cent of Mexican products enter into Canada duty-free but Canadian exports to Mexico face an array of tariffs and other trade barriers. This is something many Canadians do not realize. They must know that the government was working for them to correct this imbalance, and we did.

• (1745)

As a result of the hard work undertaken by the trade minister and his staff Canada will be able to rebalance its trade with Mexico, especially in the automotive sector that is so very important to my province of Ontario.

Mexico has the fastest growing automobile market in North America. Due to the NAFTA Mexico will eliminate its protectionist auto policy, which has in the past restricted the importing of vehicles and forced parts and assembly operations to locate in Mexico, over a 10-year period.

This will go a long way in ensuring a viable future for the auto industry in Ontario. Evidence of this can be seen in the recent announcement by Chrysler Canada to put $600 million into its plants in Windsor, Ontario. If Chrysler believed the rhetoric that comes from the parties across the floor would it be investing $600 million in Ontario?

The auto industry and its workers are not the only winners in the NAFTA. There is a virtual plethora of opportunities in a number of different sectors.

Ontario's machine producers will gain from the NAFTA. Why? They will because Mexico relies heavily on imports to meet its capital goods requirement and

Canadian products are already at the front of the line with Mexican buyers.

As Mexico continues to develop economically and upgrade its facilities opportunities for Ontario machinery and industrial equipment producers will increase. Mr. Bernie Halligan of Novenco Fans Canada Inc. in Cambridge said: "Free trade with Mexico is long overdue". His company makes large industrial fans and a 15 per cent to 20 per cent duty must be paid on their entry into Mexico. The trade deal will in time remove those duties and Mr. Halligan says this will help them a great deal.

Ontario's telecommunications and information technology is another sector that will enjoy expanded opportunities due to the NAFTA. Mexico is striving to modernize its economy and the government is dedicated to developing a more sophisticated telecommunications infrastructure. The Mexican government is also deregulating and privatizing its telecommunications sector. Who but Canada has better knowledge and expertise in telecommunications?

Put these factors together and they add up to fantastic growth in Mexican demand. By the year 2000 it is expected that Mexico will import 42 per cent more telecommunication products and demand for imported information technology will increase by more than 30 per cent in the next five years.

Ontario based companies such as Northern Telecom and Telesat are already active in the Mexican market. Systemhouse, an Ottawa based company, has already signed a $500 million contract with the Mexican government in the anticipation of growth. Yet the members opposite from both parties want to prevent these companies from taking part in that growth market in Mexico.

As well, the NAFTA improves Ontario's ability to attract investment dollars because it gives companies thinking of locating in Ontario the knowledge that they can sell their products to a market of 360 million consumers in North America.

These accomplishments were achieved while ensuring that important exemptions under the FTA will stay in place in the NAFTA. For instance, the auto pact was preserved as well as the supply management system for dairy and poultry products. Both of these exemptions were critical for Ontario.

The NAFTA also safeguards Ontario's fruit and vegetable growers by allowing Canada to take measures against any sudden surges in Mexican imports, which is very important for the farmers in my constituency of Lincoln.

The people of Ontario have more concerns than just the economic benefits that are afforded to them by the NAFTA. That is why it contains more environmental provisions than any other trade agreement and it forbids countries from lowering their environmental standards in order to attract investment.

Just as I must watch out for the implications of the agreement to my riding and province, as Minister of State for Transport I must think how this will affect the portfolio for which I am responsible. For the first time in any international trade agreement transportation modes are included.

In transportation services, the trucking industry has been opened up to allow greater freedom for Canadian shippers to carry cargo to other countries. Under the NAFTA an important issue was the ability to take on cargo in the U.S. for onward transportation to Mexico.

• (1750)

It also allows them to make the return trip, picking up cargo in Mexico and delivering it to the U.S. or Canada. This right will open up over a six-year period but Canadian carriers will maintain the exclusive right of carrying goods from one Canadian point to another Canadian point.

The North American free trade agreement is the most progressive in surface transportation, with provisions for bus, rail and truck modes. It provides detailed schedules for opening up Mexico's closed market for international bus and truck services. The standards regulating safety will be harmonized, also under a detailed schedule, to make sure that Canada's high standard of safety in transportation will be maintained.

As minister, I am keenly aware of the truckers' concerns and I know that Canadian truckers welcome this opening and are anxious to work the U.S. and Mexico border as soon as possible. Toronto is closer to Nuevo Laredo than it is to Edmonton or Vancouver. Imagine how Canadian truckers would feel if the Alberta–B.C. market swelled overnight to 85 million consum-

ers from 8 million. Eighty per cent of freight shipped across the U.S.–Mexican border is carried in trucks. With the surge of trade between Canada and Mexico the truck traffic will also increase. As Mexico develops and purchases more goods from Canada, Canadian truckers will benefit.

With respect to railway transportation, one of the NAFTA's key advantages is the guarantee of no more restrictions at any level of government. The current degree of openness is locked in. Our major railways have become truly North American in trackage and international in outlook. This has happened in a logical response to shifting market realities, a reality that is confirmed by the NAFTA. I am pleased to see that our railways have recast their operations and are preparing themselves for an integrated North American market.

Transportation in Canada is undergoing historical changes which can only help it face the realities of the North American transportation picture. There is no question that the foundations of a fully integrated North American market with strong Canadian companies taking the lead were laid long before the NAFTA. The NAFTA builds on those foundations and opens up exciting new challenges for the transportation industry and Canadians in general. These are prospects that we should all look forward to.

I am not saying that the NAFTA will revolutionize the economy of Canada. What it will do is open new doors and take the tariffs off some of the old ones. Companies in my home province of Ontario are already looking into the Mexican market so they can hit the ground running once the NAFTA takes effect. In the end, Canada will be stronger.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I would like to make a comment and ask a small question.

Approximately 30 years ago the Canadian government signed the Columbia River Treaty with the Americans. At that time we were told how wonderful it was going to be, how it was going to create these great lakes at the back of the dams and so on. Now, 30 years later, we have a situation where in my riding of Kootenay East the Americans are taking this water faster than it can run in. They are opening their dams. They have increased the flow on their dams below from 4,000 cubic feet a second to 22,000 cubic feet a second. Fish and everything are going through the turbines and are being chewed up. Dust bowls are created in the reservoirs behind.

At the time when the Columbia River Treaty was signed we told them that this was going to happen. They are now talking about diverting the Thompson River in Kamloops into the Mica reservoir to create some more water for those greedy Americans who are after our water. It was supposed to be for flood control and hydroelectricity. It is now being used by the Americans for many other uses, such as irrigation, fish enhancement, tourism and other things and we are paying the price with dust bowls and other kinds of things behind the reservoir.

My question is with regard to the water issue. What is to stop the Mexicans or the Americans 10 years from now from saying that it is unfair competition because Canada has all this water and it can create these kinds of fruits and vegetables and these kinds of things? What is to stop them from saying it is unfair to them that they are starving for water?

• (1755)

They have excluded raw logs. Why was that phrase, excluding Canadian waters, not put in there to ensure that there would not be that kind of a debate after we have signed the treaty, 10 years down the road, after everyone has made their changes with regard to their industrial structure and so on?

Then all of a sudden they will say they are going to take our water and I would like to see how we could stop them, because we cannot stop them now under the Columbia River Treaty. I would like to know how we will be able to do it under this treaty.

Mrs. Martin: Mr. Speaker, the Columbia water treaty was a water treaty. This is a trade agreement. In this trade agreement water is not considered as a good for trade. Therefore there is no danger in this trade agreement of opening it up for water. We are trading goods, we are not trading natural resources.

The agreement that the hon. member mentioned is one that was not a trade agreement but a water agreement. I think he is mixing apples and oranges, or perhaps beer and water.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I would like to ask a question. While the subcommittee was hearing on transportation issues, Donald Reimer, chief executive officer of Reimer Express Enterprises Limited

and chairman of the Sectoral Advisory Group on International Trade for Transportation Services, appeared before the committee. He explained that to complete the competitive picture, efficiencies not only have to be achieved in the production process but also in the transportation links in servicing the customer.

He pointed out that the NAFTA is the first international agreement that attempts to deal with transportation services. He also said that while the agreement also deals with the national treatment of investment and cross-border services, the biggest gain for the transportation industry was increased access to a market that currently totally forbids foreign ownership and operation of transport services.

It should not come as a great surprise that he is supportive of the NAFTA. I would like to ask the minister if she could add to those comments because I am sure they do not come as a great surprise to her.

Mrs. Martin: Mr. Speaker, Mr. Reimer is recognized in this country as being one of the leaders in the transportation industry. We see his trucks from coast to coast, across the border and down into the U.S.

Mr. Reimer is right in saying that this is the first time that we have had transportation included, both from an investment standpoint and a carrying standpoint. It is definitely going to be an advantage as far as Canadian truckers are concerned.

I might also add that it is not only on the carriage of goods but also the investment and working within the transportation industry. In fact, I was reading today that AMF, one of Montreal's largest manufacturing employers, which dismantles and remanufactures locomotives, has recently signed a $5 million contract with Mexico state-owned railway to remanufacture 23 engines with the promise of other components on the horizon.

This is another firm, this time in the province of Quebec, that also sees the opportunity in Mexico for additional business, which means additional jobs in Canada. That is another reason that this deal is good for Canada.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Bill C-115 that is before us tonight, on the North American free trade agreement, stands before us just after we put into place a few hours ago a time allocation for discussion on this very important next initiative in the free trade agreement.

The question really is: Are we facing a democratic process? Are we allowing the voices of the people to be heard and their concerns considered in the light of this Draconian move to close down the discussions in this House and summarily silence the voices and views that need to be heard with respect to the concerns, and they are many, that we find with regard to the free trade agreement being extended not only to the United States but also south to Mexico.

• (1800)

I would like to recall to members of this House that it was in the dead of winter after a long election campaign in 1988 that we sat late into the night while the government again pushed its agenda through at that time. The question is how many times are we going to have closure and how many times will the government stifle debate when it is determined to get its agenda on the Canada-U.S. agreement approved by Parliament? I do not think that that is the way democracy should work.

We have had closure 25 times. Closure stifles exchange, debate and hearings on major issues of concern that are affecting small, medium and large businesses in this country.

If one looks at the number of times that we have had closure I can say that we have had closure more often than we did since 1913 in this country.

We had this special session that I referred to on the free trade agreement. Little did we think back then that we would be here again today witnessing the same Draconian closure measures on yet another trade deal. It reminds me of that old expression: "The more things change the more they stay the same".

It is that I stand here with the Conservative government opposite shutting down debate, cutting off discussion and abbreviating the democratic process.

With respect to this NAFTA agreement, it is not that Liberals are not open and are not free traders. It is when the deal is right, when it is in the best interests of Canada and when it answers the questions we want to have answered that we support agreements that would enhance trade. I just remind this House that the automotive trade was a very good deal for Canada and it was carefully negotiated in a sectoral agreement and it has been in our best interests. We just heard the minister talking about how wonderful the automotive trade pact has been.

However, that is not the case with the free trade agreement. Unfortunately, this is not in Canada's best interests. It is not just some of the workers who are not going to benefit from this, it is most of the workers in Canada and not just the lucky few.

We said the deal was not needed in 1988 the way it was drafted because it was not the right deal. We said we needed adjustment policies and programs to ease the way into this new global economy. Little did Canadians realize that the trade deal was the government's adjustment program. That is a rather sad comment. It introduced its sink or swim approach to the economy without the benefit of help or assistance for anyone, without helping businesses succeed and most importantly without helping workers prepare for what was ahead. Survival of the fittest it professed. Sink or swim it said. Good luck it said. Canadians have suffered all these years since 1988 as a result.

Yes, there have been some success stories and some winners. However, they are very few and far between and not to the extent that was promised in the high and extravagant words that accompanied this deal with the government. They were not realized by the business community of Canada.

So I say again that we are free traders but on proper terms. The terms of this deal are not right. We say today that the NAFTA deal needs improvement. It needs amendments. It is not complete and it should not be approved in the way it stands.

Mr. Speaker, I draw to your attention that the minister has made some rather extravagant statements. He claims that Canadian exports prove the benefits of the free trade agreement and that the government's economic policies have been right. It is the trickle-down philosophy. I believe he said some things which I think we should examine a little more closely.

Let us take a closer look. The truth is that Canada's trade situation has been steadily declining under the Conservatives and particularly since the free trade agreement came into effect. The minister said that merchandise exports in 1992 reached a high record of $157 billion, 11 per cent higher than in 1991.

• (1805)

What does the evidence show? What is the hard evidence coming from Statistics Canada? It says that our merchandise trade performance is measured by the balance of exports minus imports.

The global merchandise imports for 1992 also reached a record high of $148 billion. As a result, our global trade surplus for 1992 which is $9.5 billion is the smallest in any year dating back to 1981.

Mr. Danis: So what?

Mrs. Finestone: Our trade surplus in 1982, $17.7 billion, was nearly double the figure for 1992. I hope the Minister of Labour can understand the difference in the figures. That is the "so what". We did much better before than we do today.

Second, the Minister for International Trade said that merchandise exports to the United States in 1992 reached a record high of $122.3 billion. He said that that was 13.6 per cent higher than in 1991.

What are the facts? The facts are that imports from the United States in 1992 also reached a record high of $104.6 billion. Our trade performance with the United States was undeniably better before the free trade agreement and before Tory economic policies came into full effect.

Our cumulative trade surplus for the four years before the free trade agreement was $69.1 billion. It is 14.4 per cent higher than our trade balance for the four years following the free trade agreement which is $60.4 billion.

I would suggest that before such extravagant statements are made, this government should give serious thought to the 1.6 million Canadians who are out of work, which is the highest number among the OECD countries—or perhaps the second highest. Second, it should put into place the kinds of promises about concerns for the work force and concerns for the industries so that they could adapt to what could be a proper trade agreement on a fair and level playing field.

My colleagues from Etobicoke and Winnipeg said that the government should take advantage of the parallel talks that the government is in the middle of right now on environment and on labour standards to press the United States for something that Canada needs badly, which is a definition of trade-distorting subsidies to head off trade disputes with the United States.

They recommended to the government that it could just take the GATT wording, insert it into the North American free trade agreement and that should work quite well. It is not such a difficult thing.

The NAFTA has failed to include a subsidies code. It means that we will continue to suffer U.S. trade harassment despite the government's rhetoric now on the two trade deals that were supposed to deliver secure U.S. access.

That certainly takes away from the "free" in these trade deals. It is certainly not the perfect world sold to the voters by the Conservatives or the massive third-party, big-business advertising in 1988.

Now, later, we have learned about these tricks, the *trompe-l'oeil* and the use of your big-business friends. Now when Canadians see a NAFTA campaign coming up they know to look beyond the slick packaging at the real substance.

To improve this trade deal we made it very clear. We have to have an anti-dumping safeguard put into place. This is another serious shortcoming of this agreement. One adds that to the need for a subsidy code.

Another issue raised of significance by the Liberal trade critic for making a proper trade deal was that we would need parallel accords in place on labour standards and on the environment before this House gives approval to this incomplete NAFTA agreement.

Can one imagine buying a house from a home builder who says: "Do not worry, I will finish the roof next week. Just pay me now." I think a lot of us would do far better than that. We would say: "I trust you, perhaps, but I will have a signed dotted line, thank you", or "I will have the completed house before I sign on that line".

That is just not good enough as one can well understand for Canadian people to buy essentially a pig in a poke. We are free traders. I have said that the terms of this agreement leave some pretty large holes on a subsidies code and on labour and environment standards. These make serious shortcomings in this agreement. I would like to briefly turn to the subject of culture and paint a bit of the picture which I have witnessed over the last four or five years in terms of how this Conservative government and the direct and indirect effect of its trade policies and trade deals have affected a precious Canadian resource that is not energy or minerals, although they are important, but culture which defines us as a people.

• (1810)

I find the NAFTA cultural debate a bit of a *déjà vu* because once again we hear the government itself asserting that it has protected Canada's cultural sovereignty. This is a country where three out of four books sold originate outside of it, where three out of four dollars earned through the film production industry and the distribution industry end up in foreign owned coffers, where more than three out of four magazines sold on the news stands originate from outside of it and where nine out of ten recordings bought are made from imported master tapes. This is not a culturally sovereign country. I would say that it is a culturally occupied land.

We ought to be speaking and protecting our right to become culturally sovereign to ensure that Canadians retain the tools to develop in that direction. Canadians must gain control of the production and distribution of our cultural products.

A couple of years ago on *Morningside* Peter Gzowski conducted an informal survey asking for the equivalent of the well-known phrase: "As American as apple pie". The winner was: "As Canadian as possible under the circumstances". The answer may be amusing but it answers somewhat and points out the fragility of Canadian cultural expression and that government policy and programs are crucial to its development.

The problems are structural. Films, books, magazines and sound recordings are the key instruments in letting Canadians gain access to their culture. In the face of technological changes and market advantages of foreign multinational companies our home-grown industries face an increasingly difficult task in gaining access to our Canadian audiences. As a result, Canadians are not able to garner a fair share of the Canadian market sufficient to reinvest in the production of more Canadian materials.

While Canadians are filling more of their leisure time with cultural activities, the cultural products that they are consuming are from foreign countries.

It is unfortunate but foreign owned multinationals clearly dominate the most lucrative sectors of the Canadian cultural market. Through vertical integration of their corporate structures they often control both production and distribution. In short they have a bloc on the market and in the larger sense they see Canada as the backyard. The only tool that we have that can crack the

lock and allow Canadian artists and consumers access to their own markets is government policy and partnership with business.

Canadian governments at all three levels have created a handful of government policies and programs that have significantly helped Canadian artists and companies to gain access to their own domestic markets.

I am not going to outline all the initiatives. We all understand the importance of Bill C–58, its impact on the magazine industry concerning *Sports Illustrated* and the whole argument that is going on about that. It underscores the sensitivity that there is to the undertaking through Bill C–58 which has helped us grow as an industry.

If we believe that creators play vitally important roles in our society, that they help us to see ourselves as we really are, warts and all, that they also stand as role models for future generations, then their success and the importance of promoting our young artists and encouraging them to blaze new trails and chase new artistic visions is very vital.

It is not that we want to silence other voices. We do not want to close ourselves off. We want to be open to the world but we want to have a choice. We have many, many artists crossing the borders and we need that. We want the flow back and forth. We are delighted with our neighbours but we insist on the right to be able to be present and be accountable for and to be perceived in this country. Is that so unreasonable?

What concerns me about this NAFTA text is that with respect to culture it is virtually a repeat of the Canada–U.S. text. The cultural exemption for cultural industries found in the free trade agreement is also in NAFTA. In addition, the definition of cultural industries has been expanded to include persons working in those industries, such as performers and writers.

• (1815)

I say to you, the case in the Canada–U.S. agreement, the cultural exemption, was not complete then and it is not complete now. It held its infamous notwithstanding clause, like a sword of Damocles over our heads then, when each country reserved the right to take measures of equivalent commercial effect in response to any action regarding cultural industries and that remains.

I want to talk about the dumping below the price it cost of films, videos and sound recordings into this country, but I think that is pretty obvious to all of us.

Five years after the FTA there are still many unanswered questions concerning that notwithstanding clause. For starters, how will commercial effect be measured? Will measures of redress taken by the injured party be directed solely to the cultural industries or possibly to other sectors?

Who will decide what actions are inconsistent and result in negative measures? Does this mean that Canadians will not gain control of their movie screens through much–needed film distribution legislation? What about raising the level of Canadian content on television and radio? What about buy Canadian textbook policies in our schools? Could all future cultural initiatives fall victim? Will our culture become stagnant and not be allowed to grow?

The government points to its success in keeping culture off the trade table, but the true measure of the cultural success of the government can only be in its cultural outputs and Canada is still a culturally occupied country. We incur an annual cultural trade deficit in excess of $1.1 billion to the United States through the importation of films, sound recordings, books and magazines.

There are initiatives that we can take that would be very helpful so that we have Canadian owned and controlled companies. We create our own distribution system separate from the Americans for the dissemination of cultural products and we can see other measures.

You are indicating that my time is almost up, Mr. Speaker. I would like to say to you that Liberals are free and fair traders, but I would like to know what this government's hurry is with respect to getting NAFTA done now rather than getting it done right. Is it prudent to push NAFTA through the House before the other signatories? The United States and Mexico, in particular, have signed off on it.

Is it not asking too much that our legislature deal with this agreement before the Clinton administration even

submits it to its Congress? It is asking questions about the drug bill that is in there and the constraints of drugs.

Quite simply, this is not a done deal. It is not complete in terms of substance, in terms of process on both of these counts. I agree with my Liberal colleagues who have spoken in the House that the NAFTA legislation should not be approved at the present time and in its present form.

There are some serious worries in here and I would really like to ask the government to put this aside for the moment. Let us see what the Americans are going to bring in, what the Mexicans say.

On behalf of all my constituents I can promise them not only north–south trade, but east and west trade. It will be the best kind of trade with a well prepared work force, a well prepared industry, so that we can truly move forward in the interests of our people and certainly give some hope to the youth and the 1.6 million who are out there unemployed today.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I agree with the principle of trilateral free trade. However, something is bothering me in this whole matter. Why is government in such a hurry to sign this free trade deal, NAFTA, when we know that the American President Bill Clinton has requested a little more time to negotiate with Mexico in particular on the issues of labour standards and the environment? Why is this government in such a rush to ratify this agreement? It would put the US government in an awkward position if one of its partners had already ratified the agreement, as it were. I think that the US government would be in an uncomfortable position to negotiate with Mexico if we were to pass this bill as is without having had the opportunity, as Canadians, to negotiate the environmental and human rights issues. I say it would be rather embarrassing for the Americans.

To have a North American economic pact, I am all for it. But let us give the Americans the chance to negotiate or to bring pressure to bear on Mexico in the future regarding the environment and human rights.

We cannot interfere in Mexican government business. They can settle their own disputes. However, we can now pressure Mexico into gradually doing better in terms of environment and human rights.

• (1820)

Mr. Speaker, I want to ask the hon. member for Mount Royal why she does not come out and say straight out that she is for free trade, but that her support is conditional on the respect of human rights and the environment in Mexico. Why say that she is for global trade liberalization? Why not say straight out that she is against trilateral free trade, against having a strong North American deal allowing us to compete with the European Community and the ASEAN for instance? I think we need such a North American economic pact to compete with other economic pacts, I put the question to the hon. member for Mount Royal.

Mrs. Finestone: I am sorry, Mr. Speaker, but maybe the hon. member for Longueil arrived late while I was making my speech. What I said was that the Liberals have always been in favour of free trade, a free trade with equal treatment and fair play, and that we wanted arrangements to be made with Americans and Mexicans on the environment and labour standards and also on other issues that had to be settled before we could promote and pass this bill here in the House. Mr. Speaker, I totally agree that the Liberals have always been free traders. But I would really like you to be aware, if you are not already—and I will say it in my mother tongue of our global trade performance with respect to the way the Conservatives have managed our economy.

[*English*]

For the year 1992 we show a merchandise trade deficit with every one of our principal trading areas other than the United States. Our cumulative trade surplus in the four years before the free trade agreement came into effect was $47.9 billion and fell 26.9 per cent—that is 27 per cent—in the years following the free trade agreement to $35 billion.

[*Translation*]

The hon. member is absolutely right. We forgot our eastern and western trade partners, and we concentrated on programs that were harmful to Canada because we did not put in place the programs required to face global changes and to make our workers and our industries competitive.

I thank the hon. member who agrees with me. In its present form, the bill is not good. We must fix certain things before we can proceed.

[*English*]

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I know others are looking to take the floor and I will not be very long.

First I would like to congratulate my colleague, the member for Mount Royal on her speech. I agree with a fair amount of what she had to say. A fair amount in Restigouche—Chaleur is about 99.9 per cent.

When I look at the NAFTA and when people out there look at the NAFTA they wonder if it can be simplified somewhat. Who can really say what is wrong and what is right with it.

The problem with the NAFTA is that there is no definition of a subsidy, no definition of dumping, it lacks environmental standards and proper labour standards. That puts it in its simplest form so that everyone can understand what is wrong with NAFTA. To me that is what is wrong with it.

• (1825)

I would like to ask the hon. member if she could maybe explain a little more of that aspect, whether she agrees with that comment or not and maybe to go on a little more.

Mrs. Finestone: Mr. Speaker, I am glad that we are 99.4 per cent in agreement.

An hon. member: No, I did not say that.

Mrs. Finestone: I guess I did not speak clearly enough or else I have not expressed myself in the most succinct way. You said in the shortest and most succinct fashion exactly what it took me 20 minutes to say in my speech. I agree with everything you have said so I guess we are 100 per cent in accord.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, it has been very interesting to listen to the debate on the NAFTA today. For better or for worse, we certainly know where the Conservatives stand. It becomes much more complicated when one listens to the Liberals. Some love it, some hate it, but it does seem at base, most love it more than they hate and would like it mostly to remain the same.

Let there be no mistake, there is only one party and one party only in this country whose opposition to the North American free trade agreement is unequivocal and that is the New Democratic Party. NAFTA is a bad deal for Canadians. It is impossible to renegotiate. No parallel accord can fix it. It must not proceed.

We are on record and I think have shown in our international affairs as well as nationally that this party is a great believer in fair trade. NAFTA is not fair trade and believe me NAFTA is not free for Canada. Anyone who believes that has been sold a bill of goods.

Let us look at the agreement logically. If NAFTA were simply a free trade agreement, the text of the agreement would consist of one line and one line only. There will be no tariffs between Canada, the United States and Mexico. Instead it is not one line, it is thousands of pages. It is not just a simple commercial agreement about tariffs. It is an economic constitution and it is changing the economic constitution of Canada and of North America. It is a constitution that diminishes the rights of Canadians, that exports our jobs, that sells off our resources at bargain prices and weakens the ability of our governments to do what they are elected to do, serve the people.

Canadians deserve a clear voice that says: "We do not accept these unfair trade arrangements and we believe they must be stopped".

[*Translation*]

What in NAFTA is really destructive for Canada? Since I have only 10 minutes I will keep the list short.

First, the changes in the rules of origin as they apply to textiles are going to play havoc in the clothing industry where tens of thousands of jobs are going to disappear.

Secondly, there is no Canadian content rule for cars, only North American, not Canadian. The Auto Pact does not mean anything anymore and jobs will move south.

Third, NAFTA is going even further than the free trade agreement in the elimination of price and export controls on our energy resources.

Fourth, there is a real danger that our water might be exported in great quantities. Water is not excluded from the agreement.

Fifth, NAFTA prevents the Canadian government, in the case of foreign take-over, from negotiating conditions such as, technology transfers and keeping Canadians as executives.

[*English*]

Sixth, NAFTA accelerates the destructive policy of deregulation that we have seen in the air industry but particularly in cross-border trucking and in telecommunications.

Seventh, NAFTA enshrines forever this government's bill that sold out to the multinational drug companies. The drug companies are in for a windfall while prices for consumers go up and we are told to cut back on health care.

Eighth, under NAFTA a Crown corporation set up by a province or federally to promote non-commercial objectives such as energy conservation or an airline service to remote communities could be forbidden. NAFTA restricts the government's ability to ensure secondary processing of our resources, an absolutely essential prerequisite to developing our regional economies and moving into the 21st century.

• (1830)

Ninth, the NAFTA restricts government's capacity to promote regional development.

Let us be clear what we are talking about. We are talking about a deal that takes the power out of the hands of people and their democratically elected institution and puts it into the hands of multinational corporations that are unelected and unaccountable to the Canadian people.

I say with regret that the government in power, the Conservative Party, did everything it could do to destroy government and to diminish the democracy in this country. This time it will not get away with it.

I briefly mentioned some of the objectionable elements in the NAFTA but equally dangerous is what is not there. There is nothing to prevent continued U.S. trade harassment. U.S. trade law will continue to prevail. There is no definition of subsidies or process to define them. There are no minimum labour standards. There are no minimum environmental standards. There is no addressing of human rights issues.

[*Translation*]

There is nothing in the agreement to keep firms leaving Canada from exploiting Mexican workers who work for starvation wages under horrendous conditions and in a life threatening environment.

The time has come to make it perfectly clear that people have not been put on this earth to serve commercial interests but rather that trade must serve the interests of the people.

[*English*]

We have to ask the question why the Conservative government is so intent on ramming through this legislation. It is not finished in the United States. Questions are being raised in caucus. Some of the signators have raised many questions—human rights in Mexico, rights for workers, the environment—and yet this government pursues and says in Canada we want to get this legislation through right now.

There can be only one answer: an outgoing Prime Minister wants a monument; an outgoing trade minister wants a monument. Mr. Speaker, we will build them a statue. It will be cheaper.

Some hon. members: Hear, hear.

Ms. McLaughlin: It is absolutely ludicrous to proceed with this legislation when NAFTA is not even complete. There are discussions going on about parallel accords, some of which would fundamentally affect the NAFTA as it is now and yet the Canadian government is saying it is going to pass it in Canada. We are brave in Canada. We will not even wait until it is finished to pass it. We just rush right in and pass it. We do not even wait to see the finished product. That is bad business. It is bad democracy.

I would ask what kind of bargaining power it gives us with our partners in the NAFTA. We go to the table. They are negotiating perhaps parallel agreements or other changes to the NAFTA and we say it is okay because we have already passed it in Canada, but we would really like to negotiate this. It does not make any sense. It is ludicrous, not even logical. It is certainly bad bargaining. It is definitely bad logic.

Finally, I want to raise a question that is puzzling to me. Why does this government not want to allow a full debate on this issue?

I find it interesting that last week as this government was shutting down debate on the NAFTA legislation a candidate for the Tory leadership talked about the politics of inclusiveness. I guess that candidate felt that six hours of debate on the second reading of a bill is adequate. I should explain for those who are watching that second reading is the principle of the bill. It is

extremely important because people have a chance during that debate to talk not just about what is in the bill but the very foundation on which that bill is built, the very ideology.

We know that the trade deal is there to entrench Tory policies. The Liberals agree so it entrenches theirs too and it is easier for them to have a Conservative government than to do it themselves. We understand that.

There really can be no reason for ramming through a bill which is so fundamental to the future of Canada. To talk about the politics of inclusiveness is a joke. As I said, we will have had about six hours of debate on this bill. We have had longer debates on bills that certainly were important, but not as fundamental to the future of this country and of our children and grandchildren than this bill. Yet the government says six hours. That is it; it is closing it down.

• (1835)

If these are the the politics of inclusiveness from a member of this government that has invoked closure and used time allocation to shut down debate more than any government in the history of Canada, it will not work and Canadians will not let the government get away with it.

This bill deserves a real debate. Canadians deserve the opportunity to see a full debate, to participate in a full debate, to have all the information and to know that their representatives have had the opportunity to express their views and had the opportunity to explore the alternatives, to explore on what the bill is based as well as the contents of the bill. It is not good enough to stop the voices and views of Canadians. There is no rush and we on this side of the House say, Prime Minister, step in, give democracy a chance.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I welcome the opportunity to raise a couple of questions with my hon. friend, the Leader of the New Democratic Party, who I must in beginning my remarks compliment for actually debating NAFTA, unlike so many of her colleagues who, it would seem, would prefer to engage in histrionics and take up the time of the House debating parliamentary procedure instead of getting on with this important topic that we are here to discuss today.

She asked the question:"Why is the government putting this legislation through?" I am sure she has given a lot of time to studying the bill and she, along with her colleagues, realize that this is enabling legislation. This is enabling legislation that puts things into place such that the government can bring it into effect when they are ready to do so. This deal is complete. Both the Presidents—

An hon. member: How can you say that without laughing?

An hon. member: Pose your question, has it come yet?

Mr. McCreath: Mr. Speaker, I find it amazing my hon. friends do not want to take this opportunity to be enlightened on the topic of NAFTA, which I am doing.

This legislation puts in place the procedures that mean when the agreement is ratified in all three countries, it can be declared. My hon. friends think that the Canadian public support their position on this. Maybe they will win the next election. If they win the next election, they do not have to use the declaration of this and bring it into effect, but it is there and it is ready. We will be ready, just as the Americans and the Mexicans will because they have agreed as we will that NAFTA itself will not be reopened.

My question that I would like to raise is this. My hon. friend says that her party supports trade and yet it wants to build barriers around this country and not provide us with the opportunity. Is she not aware of the fact that the world is changing? Is she not aware of the fact that trading blocs are developing around the world?

If we look at the outcome of the FTA—

The Acting Speaker (Mr. Paproski): Will the hon. member please put the question?

Mr. McCreath: My question very simply is this. Does my hon. friend not have the confidence in Canadians that this government does? Does my hon. friend and her party not think that Canadians can compete with Mexicans, Americans or anyone else?

Ms. McLaughlin: The answer, Mr. Speaker, is yes, we have confidence in Canadians. I just wish this government did. Does it have more confidence in Americans than it has in Canadians? We are not at all talking about

putting barriers up around Canada and the member knows that very well.

We are talking about having fair trade deals that will work in the interests of all countries that are party to them, that are not based on exploitation, that are not based on selling the ability and sovereignty of this country to care for its own citizens to develop our own regions. Now the member says it is enabling legislation. He has it wrong. It is a disabling legislation. That is what the problem is.

• (1840)

I have a final point on the hon. gentleman's question. He said that we are taking up time debating points of procedure. I want to correct that. We are taking up time debating democracy which this government has attempted to gag. We are standing up for democracy because we think that members of Parliament on all sides of the House have a right to put forward their views and the views of their constituents on this piece of legislation. If the government had real respect for the Canadian people and really honouring them it would say: "We will have all the debate you want. We are not afraid". Well, we are not afraid either. This government will not get away with this.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I would like to just take the final five minutes left to me to put this on the record. The member from Winnipeg had talked about one of the impacts of the NAFTA.

The Western Canadian Wheat Growers which represents some 7,000 farmers made a presentation before the subcommittee. It was interesting to learn that exports of agricultural commodities account for 50 per cent of their farm revenue. In the grains and oilseeds example they said that in 1991 they exported 62,000 tonnes to Mexico. It was only 62,000 tonnes because of restrictive import licensing requirements. But in 1991–92 the requirements were eased somewhat by the Mexican government. For crop year 1991–92 exports went up to 492,000 tonnes. What will happen under NAFTA is that the licensing requirements will be eliminated entirely and immediately.

Members may wonder what the duty rate is now on wheat going to Mexico. Currently, the maximum duty is 50 per cent. What will happen after the signing of NAFTA is that tariff rate will be reduced to 15 per cent immediately and will be phased out over 10 years. I was surprised that the Liberal member from western Canada would not be supportive of NAFTA when indeed it is most beneficial for wheat farmers, as they indicated when the subcommittee was in Winnipeg.

I have a few other points I would like to put on the record. People should understand how important exports are to Canada, because Canada does not have a large population. The population of Canada is currently 27 million. Everyone talks about exports coming in from Japan, but everyone forgets that Japan has a large domestic economy. Therefore, in actual fact about 13.5 per cent of the Gross Domestic Product is exported from Japan because of its large domestic market. The United States with a population of 250 million obviously has a lot of consumers. Therefore only about 10 per cent of its GNP is as a result of exports. But in Canada, with only 27 million people, Canadian manufacturers produce more than we can consume. Therefore almost 30 per cent of Canada's Gross Domestic Product has to be exported.

The issue becomes on value added. Everyone says that the only things Canadians can export are the raw resources so why trade with the United States, why do we not trade with other countries, why do we not trade with Japan?

The facts are that of our trade with Japan, 5 per cent of it are finished goods and 95 per cent of it are semi-finished goods and raw materials. Japan is not a big consumer of value added products. About 25 per cent of our exports to the European Community are value added products and 75 per cent of it are semi-finished or raw materials, but to the United States a large amount of our exports indeed are value added.

• (1845)

My time is short and I wish I had the opportunity to give all the statistics. The C.D. Howe Institute did a study of Canadian exports from 1989 to 1991 which was the first three years of the free trade agreement. It looked at those areas that were not included in the free trade agreement and those areas that were included in the free trade agreement.

Exports to the United States in those areas exempt versus trade with the rest of the world stayed about the same. They decreased about 2 per cent. However, in non-resource based things, in value added, Canada's exports to the United States increased 34 per cent and during the same period for those value added goods to the rest of the world, our trade decreased 5 per cent.

If trade to the United States went up 34 per cent and down 5 per cent to Europe in those areas, one has to see

clearly that the statistics show the free trade agreement is working in Canada.

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired.

It being 6.45 p.m., pursuant to order made earlier this day, in accordance with the provisions of Standing Order 78(3), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of the bill now before the House.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the amendment, which was negatived on the following division:

(Division No. 455)

YEAS

Members

Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Bélair
Benjamin
Black
Blaikie
Bouchard (Lac-Saint-Jean)
Breaugh
Butland
Campbell (South West Nova)
Chrétien
Crawford
Dingwall
Duhamel
Finestone
Flis
Funk
Angus
Axworthy (Saskatoon—Clark's Crossing)
Barrett
Bellemare
Berger
Blackburn (Brant)
Blondin-Andrew
Boudria
Brewin
Caccia
Catterall
Comuzzi
de Jong
Duceppe
Edmonston
Fisher
Fulton
Gaffney
Gagliano
Grey (Beaver River)
Harb
Heap
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kindy
Langan (Mission—Coquitlam)
Laporte
Lee
MacDonald (Dartmouth)
MacLellan
Maheu
Marleau
McGuire
Mifflin
Nault
Nystrom
Parker
Proud
Riis
Rocheleau
Samson
Skelly (Comox—Alberni)
Stupich
Tremblay (Rosemont)
Venne
Whittaker
Young (Beaches—Woodbine)—95
Gardiner
Guarnieri
Harvey (Edmonton East)
Hovdebo
Jordan
Keyes
Kilgour (Edmonton Southeast)
Kristiansen
Langdon (Essex—Windsor)
Leblanc (Longueuil)
MacAulay
MacLaren
MacWilliam
Manley
McCurdy
McLaughlin
Mitchell
Nowlan
Pagtakhan
Plamondon
Prud'homme
Robinson
Rodriguez
Skelly (North Island—Powell River)
Stewart
Taylor
Vanclief
Wappel
Young (Acadie—Bathurst)

NAYS

Members

Anderson
Atkinson
Beatty
Bertrand
Blackburn (Jonquière)
Blenkarn
Bourgault
Browes
Chadwick
Chartrand
Clifford
Cooper
Corbett
Couture
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Dorin
Fee
Ferland
Friesen
Gibeau
Greene
Halliday
Hockin
Holtmann
Horning
Jacques
Johnson
Kempling
Langlois
Layton
Littlechild
Lopez
MacKay
Martin (Lincoln)
Mazankowski
McDermid
McLean
Monteith
Nicholson
O'Kurley
Porter
Andre
Attewell
Belsher
Bjornson
Blais
Bouchard (Roberval)
Brightwell
Cadieux
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Corbeil
Côté
Crosbie (St. John's West)
Danis
de Cotret
Desjardins
Dobbie
Duplessis
Feltham
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Hawkes
Hogue
Horner
Hughes
James
Jourdenais
Landry
Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
Marin
Mayer
McCreath
McKnight
Merrithew
Moore
Oberle
Plourde
Pronovost

Redway	Reid
Reimer	Ricard
Robitaille	Roy–Arcelin
Saint–Julien	Scott (Victoria—Haliburton)
Shields	Siddon
Sobeski	Soetens
Stevenson	Tardif
Thacker	Thompson
Tremblay (Québec–Est)	Tremblay (Lotbinière)
Valcourt	Van De Walle
Vankoughnet	Vien
Vincent	Weiner
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	
Winegard	Worthy—117

PAIRED—MEMBERS

Campbell (Vancouver Centre)	Charest
Clark (Yellowhead)	Darling
Hopkins	Jelinek
Kaplan	McDougall (St. Paul's)
Milliken	Rompkey
Turner (Vancouver Quadra)	Wood

The Acting Speaker (Mr. Paproski): I declare the amendment lost.

[*Translation*]

Mr. Tremblay (Québec–Est): Mr. Speaker, I seek unanimous consent to apply the vote we just took in reverse to the main motion.

[*English*]

Mr. Angus: Mr. Speaker, this is an extremely important bill. We believe that every member in this House should stand in his or her place and vote on this bill.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Paproski): The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

• (1920)

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

(*Division No. 456*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bertrand	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bouchard (Roberval)
Bourgault	Brightwell
Browes	Cadieux
Chadwick	Champagne (Champlain)
Chartrand	Clark (Brandon—Souris)
Clifford	Cole
Cooper	Corbeil
Corbett	Côté
Couture	Crosbie (St. John's West)
Crosby (Halifax West)	Danis
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Dorin	Duplessis
Epp	Fee
Feltham	Ferland
Fontaine	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles–de–la–Madeleine)	Greene
Gustafson	Halliday
Hawkes	Hogue
Holtmann	Horner
Horning	Hughes
Jacques	James
Johnson	Jourdenais
Kempling	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacKay
Marin	Martin (Lincoln)
Mayer	Mazankowski
McDermid	McLean
Merrithew	Monteith
Moore	Nicholson
Oberle	O'Kurley
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Robitaille
Roy–Arcelin	Saint–Julien
Scott (Victoria—Haliburton)	Shields
Siddon	Sobeski
Soetens	Stevenson
Tardif	Thacker
Thompson	Tremblay (Québec–Est)
Tremblay (Lotbinière)	Valcourt
Van De Walle	Vankoughnet
Vien	Vincent
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	
Winegard	Worthy—113

NAYS

Members

Althouse	Angus
Arseneault	Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)	Barrett
Bélair	Bellemare

Benjamin	Berger
Black	Blackburn (Brant)
Blaikie	Blondin-Andrew
Bouchard (Lac-Saint-Jean)	Boudria
Breaugh	Brewin
Butland	Caccia
Campbell (South West Nova)	Catterall
Chrétien	Comuzzi
Crawford	de Jong
Dingwall	Duceppe
Duhamel	Edmonston
Finestone	Fisher
Flis	Fulton
Funk	Gaffney
Gagliano	Gardiner
Grey (Beaver River)	Guarnieri
Harb	Harvey (Edmonton East)
Heap	Hovdebo
Hunter	Jordan
Karpoff	Keyes
Kilger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Kindy	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Laporte	Lee
MacAulay	MacDonald (Dartmouth)
MacLaren	MacLellan
MacWilliam	Maheu
Manley	Marleau
McCurdy	McGuire
McLaughlin	Mifflin
Mitchell	Nault
Nowlan	Nystrom
Pagtakhan	Parker
Plamondon	Proud
Prud'homme	Riis
Robinson	Rocheleau
Rodriguez	Samson
Skelly (North Island—Powell River)	Skelly (Comox—Alberni)
Stewart	Stupich
Taylor	Tremblay (Rosemont)
Vanclief	Venne
Wappel	Whittaker
Young (Acadie—Bathurst)	Young (Beaches—Woodbine)—94

PAIRED—MEMBERS

Campbell (Vancouver Centre)	Charest
Clark (Yellowhead)	Darling
Hopkins	Jelinek
Kaplan	McDougall (St. Paul's)
Milliken	Rompkey
Turner (Vancouver Quadra)	Wood

• (1930)

[*Translation*]

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Bill read the second time and referred to a Legislative Committee in the Departmental envelope.

[*English*]

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 30(6) the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADA POST

ADVERTISING MAIL AND FLYERS

Mrs. Marlene Catterall (Ottawa West) moved:

That, in the opinion of this House, the government should ensure that Canadians have the legal right to refuse postal delivery of advertising mail and flyers.

The Acting Speaker (Mr. Paproski): Order, please. We are now in Private Members' Business. Would those who are not participating please leave the House.

Mrs. Catterall: Mr. Speaker, I presented this private member's motion because a growing number of Canadians have committed themselves to taking personal initiatives in their own environment to assist with solving the very serious environmental problems that face our world, not just our nation but our world. I wanted to address the issue this raises concerning our treatment of waste.

The green plan identified waste as one of the most serious problems facing industrialized countries like Canada, particularly, that have the luxury of being able to waste.

The first of the four *r*s is reduce waste. After we have done all we can to reduce then we should reuse, recycle, and recover.

However the solution to Canada's environmental problems will not be solved by blue boxes alone. Canada produces over 30 million tonnes of garbage annually. That is more than a tonne of garbage for every man, woman and child in Canada.

We recycle only 10 per cent of our garbage and send most of the remainder to rapidly filling land sites. In Canada collection and disposal costs of waste exceed $1.5 billion annually.

The green plan gives a great deal of attention to the treatment of waste and to how we can reduce waste. It says that Canada's goal is to cut waste by 50 per cent by the year 2000. Managing waste inefficiently imposes an economic burden on Canadians. It goes on to say that Canadians are well aware of their poor waste manage-

ment practices. They recognize that one of the more important challenges we face in moving this country toward sustainable development is reducing the volumes of waste we produce.

In October 1989 the Canadian Council of Ministers of the Environment adopted as its goal the reduction of waste in Canada by 50 per cent by the year 2000.

• (1935)

We are getting very close to halfway toward 2000 since that target was set by all the environment ministers of our nation and we have not in fact made a great deal of progress.

This motion before the House asks us to take a strong position on a major component of the waste stream, and that is paper. Paper products account for 1.4 million tonnes of Ontario's annual residential waste. That was in 1989 so we can be sure it is significantly higher now. Newsprint, fine paper and magazines alone account for close to one million tonnes.

We are worried about our forests. We are worried about forests at home. We are worried about forests around the world. If we recycled 50 per cent of our waste paper then almost 50 million trees would be saved each year.

This motion addresses an important portion of the paper waste that goes into our dumps every year. It is an important portion of the tens of millions of trees that are needlessly cut and wasted every year. This motion addresses itself specifically to unaddressed advertising mail. Many people across this country call it junk mail because they do not want it in their mailboxes, they do not want to be left with the problem of disposing of it, they are tired of receiving material that they do not want in the first place and even with the greatest conscientiousness they cannot even recycle it. There were 14 billion pieces of unaddressed advertising that were distributed in Canada last year. That is 560 pieces—close to two a day—for every man, woman and child in Canada. That means several thousand pieces of unwanted unsolicited mail coming into Canadians' homes every day.

Not all of that is delivered by Canada Post Corporation. However, Canada Post Corporation is delivering 25 per cent of it and is the largest single deliverer of junk mail to Canadian homes.

We are not talking here about addressed ad mail or appeals from charities for contributions. That is not what this motion talks about. However, of the 14 billion pieces of junk mail delivered every year in Canada, 25 per cent or 3.5 billion pieces are delivered by Canada Post. Unaddressed junk mail counts for 36 per cent of all the mail pieces that Canada Post delivers but only 6 per cent of its mail delivery revenues.

The volume is going up by 500 million pieces every year. It has gone up from 23 per cent of Canada Post's mail deliveries barely four years ago to 36 per cent in the last full year of reporting. That is an increase that is very dramatic. Remember that every time Canada Post delivers one of these flyers to your home—and it delivers an average of 140 pieces a year for every person in your household—it means that trees have been needlessly cut down.

There was a previous motion in the House to deal with the issue of whether there should be a requirement for advertising mail to be both on recycled and recyclable paper. Regrettably, that was not a votable motion.

• (1940)

There is another aspect to this which perhaps is not directly related to the environmental concerns that prompted me to bring it forward. Clearly the growing intrusion of Canada Post into the delivery of advertising mail is becoming a serious problem for many smaller dailies and weeklies across this country which were receiving a substantial portion of their advertising revenue from delivering advertising mail.

Canada Post getting into this at such a massive rate has had an impact on them. It is taking away from private newspapers across this country, whether weeklies or dailies, and is seriously inhibiting the ability of many small dailies and weeklies to survive, to bring the news to their communities in a way that is responsive to local community information, local community events, as well as giving a local interpretation of regional, national or international events.

A second question I think we should be asking ourselves in this House is why is Canada Post still a public corporation, however temporarily, competing with private sector distributors in their own business area? One of the claims Canada Post made is: "We deliver your mail to your mailbox". Why is it going out and hiring

people other than the usual postal workers to deliver mail?

I am sure other members of Parliament have had the same complaints as I have had in my office about people walking across their lawn on a Sunday afternoon and dropping material in their mailbox, usually junk mail. They are astounded to find out that this is somebody who has actually been employed by Canada Post to deliver advertising mail to their home.

I want to quote a bit from the report on the first two years on the green plan that was issued just a few days ago by the Minister of the Environment. It states: "The office of waste management will continue to develop communications products to support the promotion of the four *r*s and the waste campaign under the umbrella of environmental citizenship. A primer on waste management and fact sheets will be produced. The office will work toward developing partnerships to promote the concept of environmental citizenship".

I think we all know that the green plan depends very heavily not only on government and private sector action to achieve its goals, but also on the involvement of citizens. It puts great emphasis on Canadians in all walks of life taking environmental responsibility in their daily activities.

This motion addresses precisely that desire of Canadians to be responsible for their environment. In growing numbers they are saying: "I don't want this material in my mailbox. I don't want the public corporation called Canada Post delivering advertising to me. I want to have the choice". The government talks about environmental choice programs and consumers are saying: "I want to have the choice. I want to be able to say do not drop this on my private property".

When I wrote the minister responsible for Canada Post well over a year ago, it was to ask that he consider amending the legislation to give Canadians that choice, to give them the right to put a sign on the mailbox that they provide for Canada Post's convenience saying: "I do not want any unaddressed advertising mail left at my home".

• (1945)

The minister did not reply but referred it to Canada Post. Of course, Canada Post said that the legislation obliges it to deliver every piece of mail that is consigned to it by its customers. Of course it does. That is why I had written to the minister asking him to consider changes to the legislation to allow households or businesses to refuse delivery of bulk mail, unaddressed advertising mail by affixing a notice to the mail receptacle. The minister still has yet to reply to that request.

We adopted a national waste reduction plan several years ago. We have made minimal progress on achieving the objectives of that plan. We continue to cut trees unnecessarily because we refuse to use the legislative authority we have in this House to pass the kinds of laws that allow Canadians to exercise their commitment to good environmental citizenship.

If we as parliamentarians are not prepared to give Canadians the tools to act responsibly toward the environment, then I am not sure why we should continue with programs to encourage environmental citizenship. Far too often we do with one hand something to encourage a certain kind of behaviour or to discourage damaging behaviour with respect to the environment. Then with the other hand we undo all that effort by refusing to co-operate with our citizens in exercising that citizenship, in exercising the awareness that we have attempted to create for them.

This is not a revolutionary motion. It is not going to greatly disrupt Canada Post. I know some would say that 6 per cent of Canada Post's revenue is significant. What is more significant is whether this is generating revenue for Canada Post, generating profits, or whether in fact it is being subsidized by the first-class mail rates which we know have increased significantly in the last couple of years. Certainly some of the small community newspapers in this country would claim that Canada Post is competing unfairly by cross-subsidization within its other services.

The motion is to allow us to at least have a committee look at the various ways in which we could assist Canadians to do what they want to do. That is to be better environmental citizens and to control the amount of paper coming to them and to influence the market through their consumerism.

We talk about economic instruments. Consumerism, the power of the consumer, is one of the greatest of those economic instruments. However, if we continue with legislation that does not allow consumers to exercise those choices and therefore to influence business in a positive way to the benefit of the environment, then we

can hardly blame Canadians if the amount of garbage generated, if the amount of trees cut down every year continues to increase while our environment continues to deteriorate.

I ask for the favourable consideration of the House of this motion. I seek the unanimous consent of the House to have the subject matter of the motion referred to a committee of the House.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am pleased to have the opportunity today to speak on a matter which is becoming very important for all Canadians.

• (1950)

We are becoming more and more aware of the environmental problems around us. We are more concerned about the state of our environment and what the future holds for us. Canadians are trying harder to improve the situation. Individuals, businesses and all levels of government have recognized their greater responsibility towards the environment. Canada Post acknowledges its responsibility and acts accordingly.

I would like to talk about initiatives Canada Post undertook to play a more active role in the protection of our environment. The corporation realized that the protection and conservation of the environment are crucial to the welfare of its employees, its clients and the communities it serves. That is why it came up with an environmental policy in 1990.

Needless to say, it was not easy for such a big business to implement that kind of program throughout the country. It represented an enormous task which could not be carried out overnight. Canada Post was able to instil more respect for the environment in its everyday operations. For example, paper consumption in its administrative services has been reduced by almost 30 per cent. Publications intended for its employees are printed on recycled paper, using vegetable inks, and its energy and fuel consumption has also been reduced.

Those are only a few of the initiatves taken by the corporation and they show how conscious it is of its responsibility toward the environment.

The media are warning us more and more often of the dangers threatening our environment because of our thoughtlessness, and that is starting to work. It is at our own risk that we ignore them.

The responsibility toward environment does not fall to only one person or one organization. All those who contribute to the problem must do their share to find a solution. Looking for a culprit among all those responsible will not help us deal with this crisis.

Just think of the convenience stores for example. They sell products intended for consumers in a hurry. They carry packaged products such as potato chips, chocolate bars and so on. We do not blame this type of retailer for offering too many packaged products; they are only selling them. The solution rests first with those who design the packaging.

The same can be said about a product Canada Post is offering to consumers. We sometimes blame it for distributing this kind of mail, referred to as junk mail by many. For Canada Post, it is Mediapost.

For its customers, Mediapost is an accurate and cost-effective means of transmitting their message. People like David Love, vice-president of the World Wide Nature Fund, stated that: "For charities, mail advertising is not junk mail but the most efficient, personal, ethically acceptable and important of all fund-raising methods."

Mediapost is an important part of postal activities with an annual volume of over 4.7 billion items and some $500 million in annual revenues. It is also an efficent and viable way to deliver a message whether it be from a small corner store owner or a national retailer or charitable organization like the World Wide Nature Fund.

Mediapost is useful, and studies also show that people like to receive direct mail advertising. Mediapost has interesting features. Let me list a few. It can be printed on paper that can be or has been recycled thanks to vegetable based ink. Mediapost is included with your mail so that the wind cannot blow it away. It is delivered directly in the mail box. It is also possible to target a specific group or area. In that way, it can be delivered only to those who should receive it, thus minimizing waste.

• (1955)

Direct-mail advertising is a big business in Canada. It is an effective and profitable means of communication which provides great benefits to the Canadian economy.

Judge for yourself, Mr. Speaker. Every year, direct mail generates $7.86 billion in sales in Canada. Canadian consumers spend $170 a year on average for goods and services advertised by direct mail. Direct mail accounts for $1.9 billion or 22 per cent of net advertising revenue. It employs over 200,000 Canadians. It is an industry that is growing at a rate of 8 to 10 per cent a year.

Direct mail is an attractive form of interactive communication with many commercial spin-offs. We have nothing to gain and much to lose by eliminating it. What we must all try to do is to find a balance between this economic reality and our environmental responsibility.

Canada Post is a distributor and only one link in a long chain, which begins with an advertiser, someone with a message to send. It could be a retailer, a politician or an organization seeking funds.

The chain continues with an advertising agency that designs the message, and a printer who reproduces it on paper made by a company that processes forest products. Then a direct mail house prepares the message for distribution. Finally, Canada Post, which is near the end of the chain, distributes the message.

Quite a few steps are involved before we can even start distributing an advertising flyer. After delivery it reaches the last link in the chain, the consumer who eventually recycles the flyer, or at least we hope so.

Canada Post is mindful of environmental issues. It has responded to the concerns raised by this kind of advertising in a way that takes into account both environmental and economic factors, but it cannot act alone. It needs the help of all concerned. To find practical solutions, Canada Post must work in co-operation with all advertisers.

That is why the corporation is trying to bring together all industries that have a stake in these issues.

It has set up a committee consisting of announcers, advertising agencies, paper producers, printers, publishers, direct mail advertising companies, distributors, recycling companies and municipal representatives. Together they are trying to develop responsible ways to use paper in advertising. By working together with the other players in this sector, they hope to get products and services that are environmentally friendly.

It is the kind of integrated and systematic approach we need to deal with that all important question facing us today: How do we protect and preserve the environment? If we are to meet the challenges of the future, we must take this comprehensive approach as solutions emerge. We know they will not be lasting solutions unless all parties are prepared to co-operate.

In conclusion, I want to say that I am totally opposed to this bill in its present form.

More and more businesses and industries are trying to find solutions to environmental problems by promoting civic-minded actions. The Canada Post Corporation is no exception. It is a leader among businesses committed to playing an active role in environmental protection.

Canada Post has implemented an environmental policy. It uses recyclable products and it is also engaged in recycling activities. It has reduced its energy consumption as well as the volume of paper used by its employees. The corporation has also limited its fuel consumption.

Those are only a few of the initiatives which demonstrate how serious Canada Post is about the environment.

I conclude by saying that environmental responsibility is up to everyone, including producers, suppliers, distributors and even consumers.

The involvement of individuals, business and all levels of government is crucial. In many instances, solutions to environmental problems are found in a co-operative approach committing all parties to maintaining the delicate balance which exists between environmental and economic factors.

A co-operative approach to the challenges ahead of us will mean that whatever effort we make today to protect our environment will help build a stronger foundation for the environment of tomorrow.

[*English*]

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

It being eight o'clock p.m., this House stands adjourned until tomorrow at ten o'clock a.m. pursuant to Standing Order 24(1).

The House adjourned at 8 p.m.

HOUSE OF COMMONS

Thursday, April 1, 1993

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

CANADIAN SECURITY INTELLIGENCE SERVICE

PRESENTATION OF PUBLIC REPORT

Hon. Doug Lewis (Solicitor General of Canada): Madam Speaker, I have the honour to present the public report of the director of the Canadian Security Intelligence Service. I do not have it to formally table now. It is available and I can provide a copy if the Table does not have it. Both lobbies should have it for distribution to members.

What I had intended to do was to make a statement.

Mr. Dingwall: Madam Speaker, I think I understand what the minister is suggesting, that we proceed with statements by ministers and thereafter we would revert to the tabling of documents whereby he could table the report which he refers to. That is my understanding of the minister's request.

TABLING OF PUBLIC REPORT 1992

Hon. Doug Lewis (Solicitor General of Canada): Madam Speaker, I have the honour to table in both official languages two copies of the Canadian Security Intelligence Service public report 1992.

I want to thank my hon. friend, the Opposition House Leader, for assisting me in that procedure which I seem to have forgotten over the last two years how to do.

• (1010)

NATIONAL SECURITY SYSTEM

STATEMENT BY MINISTER

Hon. Doug Lewis (Solicitor General of Canada): Madam Speaker, my statement today marks the second occasion on which I have provided Parliament with an overview of the three main elements of the national security system for which I am responsible.

These elements are security intelligence, security enforcement and protective security. As last year, my remarks will complement the release of a public report by the director of the Canadian Security Intelligence Service.

This statement and the public CSIS report form part of an effort by the government to provide Canadians with information about their national security system and about the threats that it works to counter. Together with the annual reports of the Security Intelligence Review Committee, not only ministers and parliamentarians but all Canadians are afforded a window on security intelligence issues.

Canadians receive daily from many points around the world reports of unrest and upheaval, witnessing a constantly changing geopolitical landscape. They want to know what their government is doing in constantly tracking world events for an evaluation of their possible effects on Canadian interests.

At the same time, they know that the cold war is over and that allies such as the United States with its vast intelligence and defence systems have in consequence begun a re-examination of their priorities.

I am keenly aware that here at home there are expectations for this government to adjust to rapid change and shifting circumstances. Being asked are questions such as: How is the Canadian Security Intelli-

gence Service moving to respond to rapidly changing world circumstances and the emergence of new risks?

As I announced last year in this place, I asked the director of CSIS to prepare for me an assessment of how the evolving security environment might affect the service's mandate over time. The director was to consider future security intelligence needs, examine how the service ought to be structured to meet those needs and determine the resource implications of any recommended measures, mindful of the budget realities and the government's commitment to improve the efficiency of organizations.

[*Translation*]

The Director of CSIS has assigned this job to a working group. I would like to tell you about the findings of this group and the decisions I made accordingly.

The working group has requested the input from 28 departments on the security threats facing Canada in the years ahead.

The group has also called upon the expertise of CSIS by asking its employees for ideas on the best way to carry out the mandate of the organization.

Finally, the working group has conducted an in-depth analysis of resource requirements in the context of the budget realities and the situation of the intelligence community in 1993.

[*English*]

This analysis has confirmed that since the end of the cold war a progressive reduction of resources which are typically allocated to traditional counterintelligence services and operations which are quite labour intensive was warranted.

An analysis of the global security environment has presented the government with the opportunity to now make over-all reductions while ensuring that the security intelligence mandate has met an acceptable level of risk.

Therefore, the government is reducing the number of positions for CSIS from 2,760 to 2,465. That is a reduction of about 11 per cent. These reductions are being achieved primarily through attrition and by tight control of the staffing process.

As many may know, the government expanded the service's personnel complement in response to a very thorough review in 1987 which was carried out by an independent review team led by Gordon Osbaldeston. This team found that the new service, bearing in mind that CSIS came into existence in 1984-1985, was understaffed and underfunded to meet the changing security intelligence demands of the government. I refer to the CSIS public report for an informative, detailed discussion of resource issues as they have evolved since 1984.

• (1015)

Equally important is that the director's review has identified a range of activities and best management practices that emphasize the importance of intelligence analysis and operational flexibility.

We in this House realize that forecasting is an imprecise art. I want to share the general long-term outlook for those areas of particular concern for national security. I want to make it clear that my number one consideration in directing the service and the RCMP in its national duties is public safety. Canadians expect no less.

CSIS projected five years ahead to identify the kinds of national security risk that we might face. The implications for Canada were examined with reference to the service's responsibilities to investigate threats associated with espionage, foreign influenced activities and politically motivated violence.

First, the nature of espionage will certainly change in years to come. Hostile intelligence services will be paying more attention to economic and technological targets. Although economic espionage is not new and existed regardless of the cold war, some countries will likely increase their efforts to obtain our considerable industrial and technological expertise the fast and cheap way.

I personally intend to do my utmost to ensure that Canada's economy does not suffer because others want to take unfair advantage and gain at our expense. As a result CSIS will continue to ensure the protection of information and assets of national economic significance through assessment of potential threats and warning to government.

In line with this responsibility, I am pleased to advise that the service has established a liaison program with the private sector to enhance understanding and awareness of the vulnerability of information to clandestine acquisition. I will continue to pay close attention to CSIS activities in this area. I wish to emphasize that the service's role in economic security is defensive; that is we play an advisory and precautionary role.

Our mandate is to monitor and advise on state sponsored economic espionage. CSIS does not and will not concern itself with private sector industrial espionage. This is strictly the responsibility of the private sector.

In the area of proliferation, this government's commitment to the promotion of international peace and security obliges us to monitor the deadly traffic in weapons and technology of mass destruction, particularly when Canada and Canadians are involved. CSIS will continue to play an appropriate role in that effort.

As we know from recent events, terrorists remain active in many parts of the world, some of them close to home. Canada is used regrettably for fund raising, procurement of weapons, planning and as a safe haven by a number of extremist groups. CSIS has a vital role in monitoring these activities, as does the RCMP in investigating and apprehending those who conspire to commit criminal acts.

Regrettably the continued existence of international state sponsored terrorism is a cause for concern to all states which follow the rule of law. The director's task force found no expectation that international terrorism would diminish. The recent bombing in New York City underlines the vulnerability of free and open democratic societies to terrorism.

Global trends, including growing movements in pursuit of ethnic nationalism in various regions of the world, the growth of religious fundamentalism and increasing ideological extremism among certain right-wing groups, clearly warrant continued vigilance by the service. As the Secretary-General of the United Nations has warned, the new danger that will appear is more state fragmentation. He notes that rather than 100 or even 200 countries in the world we may well see up to 400 countries by the end of the century.

• (1020)

Canadians are largely a nation of immigrants. It is our heritage to give refugees and immigrants the opportunity to build new lives. As Canada becomes home to more refugees and immigrants—almost one million have arrived here since 1987 and one million more by 1997—foreign influenced activities and homeland quarrels are likely to be a growing concern.

Émigré populations in Canada may be coerced, manipulated or exploited by homeland based interests. By the same token, insurgent or terrorist groups may try to use Canada and the local expatriate population as a source of aid and comfort.

Nevertheless I have a responsibility to help ensure that old quarrels are not brought to Canada by those few newcomers who cannot leave behind the political violence of their homelands.

I should also note that we have recently amended our immigration legislation to strengthen its control provisions. These provisions will help authorities deal more effectively with potential threats from terrorists and violence-prone individuals seeking admission to Canada.

The Royal Canadian Mounted Police is an essential element of my national security mandate and it continues to be responsible for the protective security and enforcement of laws relating to security offences. The RCMP plays an extensive role in security enforcement with respect to the Security Offences Act and other laws but also in providing protective security to VIPs, federal properties, airports, embassies and missions.

CSIS works in close co-operation with the RCMP, ensuring the exchange of criminal extremism and terrorism information relevant to law enforcement. As Solicitor General it is my job to emphasize the continued co-operation between the two agencies.

On a personal note I would say that Director Ray Protti and Commissioner Norman Inkster have given me every assistance in my task as Solicitor General for the past two years. There is a good working relationship between the personnel of the two forces and specifically between Mr. Protti and Mr. Inkster. I believe the difficulties of the past are not our concern now.

[*Translation*]

To conclude, the national security system in Canada has demonstrated its impressive capacity to adjust and change in response to changing circumstances.

I think that the findings of the Director's working group and the ensuing decisions will be indeed the tradition of excellence in dealing with major national security issues.

Other democratic nations have noticed how successful we have been and are now asking Canada for advice on balancing individual freedoms and effective national security measures.

[*English*]

In a discussion last year with the British Home Secretary I explained the Canadian experience with a new Security Intelligence Act and the Security Intelligence Review Committee process.

I have encouraged both the RCMP and CSIS to discuss with their eastern European counterparts how police and security agencies function in a democratic society. This is surely a sign of how the times have changed.

At home and abroad change is overtaking and transforming many things we once accepted as fixed and immutable. I want to assure Canadians that we are alert to the potential effects of change, and we are working to ensure the continued safety and security of Canadians through an effective national security system. I am confident that Canadians can continue to enjoy a degree of safety and security that places our nation in the ranks of a fortunate few in the world.

• (1025)

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, I am pleased to be able to respond to the Solicitor General's second annual statement based on the public report of CSIS.

The annual statement has evolved out of a process of review of security and intelligence, as the Solicitor General has indicated, that began a number of years ago and which culminated in the five-year review of CSIS by Parliament a couple of years ago. It is hoped that the annual statement and the annual public report of the CSIS director will add to Parliament's understanding of the role of CSIS in national security.

I want to point out, as I did last year and as I think should be pointed out for the next while, that Parliament's five-year review involved 117 recommendations. I sat on the committee and, while it certainly was not our belief that the government would immediately adopt all 117 recommendations, all of us who participated in the committee were disappointed that at the end of the day only one or two recommendations were actually formally adopted.

However, the government and CSIS have responded in other ways to those reports, not just the parliamentary report but others, and one of those responses is this annual statement which we all agree is constructive.

For the record I want to point out that the role of monitoring CSIS and other players in the national security field is a job that has been given to the Security Intelligence Review Committee. This is a body appointed by the government which reports to the House of Commons as it sees fit, but at least once per year. The other structure that monitors is the subcommittee of the House of Commons justice committee which monitors SIRC and the other players as best it can. I see the chairman of that committee smiling at me from across the floor today.

In any event, the task of monitoring our national security agency is not one that parliamentary systems have taken to easily. We hope that we have found some of the right tools and are doing the job properly.

I want to make reference to portions of the annual report as discussed by the Solicitor General. From our perspective in Parliament we invest large sums of money in gathering security intelligence from many perspectives, including counterintelligence and counterterrorism. I think all Canadians would agree that the moneys we spend on those functions are actually moneys spent as a kind of insurance policy which permits our country to adapt, respond and prevent certain types of occurrences that would be very negative to our public interest. I think by and large we are getting value for our money but our job in Parliament is to make sure that we get value for money. That is one of the focuses I bring to my remarks now.

One of the newer areas of concern and focus for CSIS and other elements of our national security establishment is economic security, the potential for theft of our economic secrets, our technologies, most of which is in private hands but some of which is in government hands. As the Solicitor General pointed out, the role of CSIS now is only to monitor, do surveillance and protect against economic thefts of the nature that are sponsored by foreign states.

• (1030)

There are in existence all around the world many initiatives in the private sector where companies steal from other companies. At this point I do not believe that CSIS is authorized to chase those, but the Solicitor General has pointed out that CSIS is now liaising with elements of the private sector in an effort to make the private sector aware of the context of the risks, of the background of the players and of those against whom the private sector should be protecting itself. That is a useful taxpayer paid function.

However, not just in Canada but in other countries in the west there is now an issue being debated publicly as to how much the taxpayer should invest in protecting private assets and the technology of private companies. That is a legitimate concern. We have not fully debated or answered the question, but it is one that we, CSIS and the Solicitor General, will want to address in the months or years to come.

I want to point out what I believe may be omissions. I realize that the annual statements of the Solicitor General and the public report of CSIS will build year after year. We cannot knock off all issues in one sitting but there is one item of unfinished business that I will only make reference to, which is the Air India investigation that is still outstanding. Many Canadians are very concerned about that. We are awaiting a conclusion of the investigation and a decision by the government as to what will be done with the evidence it has accumulated on that situation.

Another omission to date, one that I hope will be dealt with in the future by the Solicitor General, is the security and intelligence operations and surveillance done by the Communications Security Establishment, known as CSE. That particular agency, while not under the jurisdiction of the Solicitor General, does gather intelligence information, electronic signals intelligence information. That has not as yet come under the proper ambit of this Parliament. We have not yet put in place procedures to monitor as we should.

I note that with the Supreme Court of Canada decision in Duarte and the provisions of Bill C-109 currently before committee and this House there may be occurring an inadvertent circumscription of the activities of CSE. Its electronic monitoring involving electronic signal surveillance, which is now done without warrant, may come under the ambit of Bill C-109. The comments of the Supreme Court of Canada in Duarte signalled that the state may not routinely monitor its citizens and invade their privacy without authorization or warrant. That is a matter that I know will come up in the future as well.

I want to raise another matter that I do not think the Solicitor General made reference to but which I am sure he would if I had placed it before him first, and that is we want to continue to remind CSIS to continue to be sensitive to Canadians born in other countries who are now full-fledged Canadian citizens, particularly when incidents involving our national security arise. These people have to be treated as Canadians and not be assumed to be risks simply because they were born in other countries.

There is a grey area here. I know that CSIS is aware of it. We have dealt with it at the national security subcommittee. I hope my remarks will encourage CSIS to be very vigilant and sensitive to the positions of these many Canadians as CSIS does its work attempting to deal with counterintelligence and counterterrorism within the context described by the Solicitor General.

• (1035)

I also want to acknowledge the staff reductions indicated by CSIS in the counterintelligence area. They are probably a function of the reduction in cold war intelligence battles that went on for many years. The need to engage in that whole round of activities with the former Soviet bloc is not as vital as it once was and may continue to diminish.

I hope those staff reductions would allow cost savings to the taxpayer. I am not so sure I saw it in the estimates. The budget appears to have continued on at the same level, notwithstanding the proposal to have staff reductions. It is hoped we can take a closer look at that issue at the subcommittee.

Finally I want to reconfirm for all of us in this House that the structures of the Security Intelligence Review Committee and the national security subcommittee will hopefully continue to do their jobs in monitoring our security and intelligence establishment in this country throughout the dénouement of the cold war and this period of an apparent increased threat of terrorism emanating from the various conflicts around the world.

Mr. Derek Blackburn (Brant): Madam Speaker, as a member of the House subcommittee on national security I am pleased to respond to the minister's statement today with respect to his second annual report on the Canadian Security Intelligence Service. I thank him for giving me the information ahead of time. It came to my office late yesterday afternoon.

First I congratulate the minister on making an announcement that calls for a reduction in staff. Many of us on this side of the House over the past few years have been somewhat critical of the increase in the funding to CSIS, when other departments were being cut back at a time of restraint, and the proliferation of staff.

I realize a report was done a number of years ago by Mr. Osbaldeston that called for an increase in staff. We accepted that as having been necessary at that time. It is a good move at this point, now that the cold war has wound down or is winding down, to reallocate resources within the intelligence community and in doing so to find a way of actually reducing staff. I believe this mainly will be done through attrition and fortunately not through lay-offs.

The whole area of economic intelligence, espionage, counterespionage and so on is something, as the previous speaker and the minister have said, that has been with the world for a very long time. If we read about the historical antecedents of the intelligence world we find that it was essentially economic in the first place. As empires developed, governments felt they had to protect their foreign interests. Usually those foreign interests were economic and material. They were not so much political because the old trading companies controlled the monopoly on foreign trade. It was not really a government initiative in those days, although governments did open up avenues of exploitation through political processes and military processes.

The military intelligence and the economic intelligence went hand in hand to develop commercial empires. In effect we are actually returning, in a historical perspective, to some of the origins of the intelligence world.

The difference today is the obvious difference in technology. Quite frankly the minister, or any minister in his position, has a dilemma here.

It is one thing to say that the intelligence community, in this case CSIS, will liaise with the private sector. That is a duty. It has to perform that exercise. However it is much more difficult and confused to say this is where liaising ends and this is where participation begins in the process of protecting economic interests, in this case technology, technology transfer, research and development and so on.

Canada, along with the United States and western Europe, is a country that is on the leading edge in many of these technological fields so obviously we are prime targets.

• (1040)

I do not know how we can solve this problem. We cannot really solve it today or even this year because it is a growing problem. It is going to be an expanding problem. With high technology, computers, and information technology growing at such a rapid rate when government institutions such as CSE and CSIS become involved in finding out how they can protect Canadian economic, industrial and technological interests I am quite certain, just as certain as I am that I am standing here today, that will involve us somewhere down the road with active participation, not just passive.

That is the time that very serious considerations will have to be made and decisions taken. As the previous speaker said it involves taxpayers' money. We are going to have to ask the question: Should government or its agencies which are funded by taxpayers be out there gathering information to protect private sector technological developments, research and development and so on? This is something that cannot be codified today. It cannot be regulated because it is moving so quickly. The whole process is moving quickly.

I call upon the minister and his senior advisers in this area to keep a very close watch on how deeply CSIS, CSE and the RCM Police actually become involved in what I would consider a private sector problem, even though I would argue that the state has not only a right but a duty to protect economic interests in a general way.

Just to repeat myself for a moment, it is a very murky line. It is a very blurred area between liaising on one hand and actually, before we know it, becoming directly involved in the protection of private sector economic and technological secrets and so on.

That is an area to which we are going to have to give ongoing consideration. I would hope that the subcommittee of this House on national security and intelligence would have as one of its prime subjects over the next several years working with SIRC, the Security Intelligence Review Committee, and the minister and his staff on an ongoing basis.

The minister also made reference to international terrorism and the fact that Canada is used from time to time for fundraising for these various groups. The IRA is one glaring example, one hideous example, but there are several others.

Canada is also used as a haven, a safe house, for international terrorists. They can come here and sleep it off for a few days, a few weeks or a few months in relative peace and tranquillity. To say this is irritating is to put it mildly.

I recall that a number of years ago previous governments were warned that certain elements were coming in from Asia, that the Asian gangs were arriving in this country. I know it was extremely difficult to try to survey them, to try to investigate and determine who were legitimate refugees and who were gangsters, political thugs and so on.

The boat people are a very good example. Many of these people came in with no identification. There was no way to trace their origins or their country of nationality. Many of them were ethnic Chinese whom the Chinese authorities forced into North Vietnam in the 1960s. Ho Chi Minh did not want them.

When the Vietnamese war was over they flooded south into South Vietnam and joined the legitimate refugees, the boat people. Eventually they ended up here in Canada. A lot of these Asian gangs, Vietnamese, Chinese or from Hong Kong, have been coming into Canada with great regularity. We have not really made the effort we should have made to sort these people out, detain them and hold them until we are perfectly satisfied they are not members of these gangs.

I have made reference to Asian gangs. There are political and criminal undesirables from all over the world coming into our country. I am not saying they are coming into Canada in vast numbers, but we have to keep up our surveillance. This is where CSIS, along with the immigration department, plays a very important role.

If it takes longer then we should take longer to investigate these would-be refugees, or immigrants for that matter, if there is any doubt as to whether they are related to these gangs, political terrorist groups and criminal organizations. Quite frankly legitimate refugees and immigrants to this country and indigenous Canadians do not want that political and criminal riff-raff from the world coming to poison our society. We have to do everything we can to get a handle on this and to keep these thugs out of Canada.

• (1045)

There was another reference to the foreign nationalist political groups in the country. I realize that the world is in a flux right now. We are speaking of course of countries such as the former state of Yugoslavia, but there are many other examples. On the one hand we want to accept legitimate refugees. We want to give them a safe haven. We want them to come here because we know they will make useful, productive Canadian citizens and will add to the great cultural mosaic of our country. On the other hand, however, we have to be extremely vigilant in making certain that we are not setting up little nationalist political groups transplanted overseas in order to carry on the same nefarious activities they did back home.

The Liberal spokesperson just before me made a passing reference to CSE and Bill C-109. We finished the bill last night without amendment. I was chair of that committee and I will be presenting the report in a few minutes. I just want to say in passing that I sincerely hope that Bill C-109 will relate to the activities of CSE.

I would like to ask the minister, although he cannot respond at this time, if he would consider checking to see how that bill will impact on the Communications Security Establishment. CSE is such a secret organization. It has been extremely active without any parliamentary control, as far as the House of Commons is concerned at least, since its origin.

On the one hand I realize we need surveillance and increased technological surveillance in this highly technological age in which we live, but on the other hand the protection of private citizens' activities must also be considered as well.

I am going to close on this last note, which is not in the report for obvious reasons. We appreciate what the minister had to say yesterday with respect to Leslie James Bennett who is now and has been for many years living in Australia. I am not going to go into all the details. The minister said yesterday in the House I believe that the government does not and never has considered Mr. Bennett to be a spy, a mole or disloyal.

I would ask the minister today in the House if he would seriously consider some kind of monetary recompense for Mr. Bennett. Mr. Bennett left this country in disgrace in the eyes of the public. Although he was innocent he lost his career and his family. He went to Australia to try to start a new life. He went, I believe, with a pension of $4,500 in 1972. To the best of my knowledge he has no other source of income or had no other source of private income at that time, and I do not believe he has to date. He sat there and suffered in the Perth area of western Australia all of these years trying to get redress.

The minister went a long way yesterday and I thank him for that. However, I call upon him now to try to come to some kind of monetary solution to assist this man. He is getting on in years and will not be living for that much longer. I believe he has lived in relative poverty all because he was under suspicion in an intelligence community that almost thrives on suspicion at times. I think he was dealt with by the RCMP and his superiors in a very unfair way.

I am happy to have responded to the minister's statement this morning. I look forward to the work of the House committee on national security and intelligence getting deeper into these issues that the minister has raised and that we have raised on this side of the House.

* * *

• (1050)

INTERPARLIAMENTARY DELEGATION

REPORT OF CANADA-EUROPE PARLIAMENTARY ASSOCIATION

Mr. Terry Clifford (London—Middlesex): Madam Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report by the Canada-Europe Parliamentary Association of a meeting with the Council of Europe Standing Committee on Agriculture, held in London, Middlesex, March 1 to March 4, 1993.

That meeting came as a direct result of a report given in this House by the association where we found that European parliamentarians in the main were not knowledgeable about Canadian policies and practices in areas such as agriculture, forestry, environment, et cetera, to the detriment of Canada in its world trading possibilities and things such as the GATT. It became apparent that a meeting of this order was necessary and 34 parliamentarians responded. It was a good opportunity.

I thank the government for its involvement. I urge the government and all parliamentarians to keep up the knowledge of Canada and express it around the world.

* * *

[*Translation*]

HOUSE MANAGEMENT

81ST REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, I have the honour to present the 81st report of the Standing Committee on House Management concerning parliamentary reform. If you will allow me, Madam Speaker, I would like to make a few comments on that report.

The report I am tabling this morning contains about 30 recommendations for parliamentary reform. It is the result of innumerable hours of work, discussions and compromises on the part of all members of the committee; it is also the result of the patience and efforts they have devoted to it over the last 18 months.

[*English*]

I would like to take a few minutes to acknowledge the special contribution of the members of the subcommittee on parliamentary reform who have participated since the beginning of the exercise in the fall of 1991.

I would like to mention the hon. member for Winnipeg Transcona, the hon. member for Kingston and the Islands, and my hon. colleague, the hon. member for Peace River who not only presided over the subcommittee's work but also chaired the committee for 18 months and steered its deliberation on parliamentary reform until the very end.

[*Translation*]

I would like to stress the tact and leadership of the hon. member for Edmonton Southwest who from November 1992 until last week has guided our work and, as committee chairman, skilfully piloted the project to a successful end. As you all know, the hon. member for Edmonton Southwest is Mr. Jim Edwards.

[*English*]

Finally I would like to give special thanks to our staff who worked with us during the whole process, our clerks, and in particular the outstanding support and drafting skill provided by Jamie Robertson, our research officer who rendered our task possible and our work feasible.

I have sat at many meetings and deliberations of the committee on House management on parliamentary reform. I would like to pay special tribute today to my colleague, the member for Peace River. Throughout the deliberations he led our discussions. He has been the lightning rod, if I can use that term, behind the work that has been done.

We are tabling today a report that will help streamline the work of the House of Commons. It will bring in several significant changes to the work of the House of Commons.

[*Translation*]

Therefore, it is with great pride and with gratitude towards all the members of the committee that I table this major and innovative report which I submit to the House today.

* * *

[*English*]

JUSTICE AND SOLICITOR GENERAL

13TH REPORT OF STANDING COMMITTEE

Mr. Bob Horner (Mississauga West): Madam Speaker, I have the honour to present, in both official languages, the 13th report of the Standing Committee on Justice and Solicitor General.

Pursuant to the order of reference of Friday, February 12, 1993 your committee has considered the 1993 proposals for a Miscellaneous Statute Law Amendment Act and your committee has agreed to report it without amendment.

* * *

BILL C-109

REPORT OF LEGISLATIVE COMMITTEE

Mr. Derek Blackburn (Brant): Madam Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act without amendment.

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

* * *

• (1055)

CRIMINAL CODE

MEASURE TO AMEND

Mr. Lyle Vanclief (Prince Edward—Hastings) moved for leave to introduce Bill C-419, an act to amend the Criminal Code, the Customs Tariff, violent cards and games.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Vanclief: Madam Speaker, it is an honour today to present this bill, an act to amend the Criminal Code and the Customs Tariff.

The purpose of the bill is to prohibit the production, sale and circulation of cards and games of a violent nature and to prevent their importation into Canada.

I propose this legislation in response to the outrage many Canadians and many of us in this Chamber felt and still feel after hearing of the importation into Canada of the so-called serial killer cards and games and the production in the United States of those board games as well.

The minister of revenue has said that he would prohibit the importation of these products into Canada but his department told him that he could not under the present laws. Rather than wait for the government to amend the law to permit the banning of this offensive material I am proposing the appropriate amendments in this bill.

Thousands of signatures on petitions have been presented in this Chamber calling for a ban on this type of material. I am confident colleagues on all sides will agree this type of material which glorifies mass murderers and heinous criminals is inappropriate in our society.

Madam Deputy Speaker: Mr. Vanclief moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

TRANSPORT

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence) moved:

That on behalf of the Standing Committee on Transport, one staff person be authorized to travel to Toronto on April 6, 1993 to attend the Canadian Short Line Railroad Conference.

Motion agreed to.

* * *

SENIOR CITIZENS HEALTH ISSUES

AUTHORIZATION FOR SUBCOMMITTEE TO TRAVEL

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence) moved:

That four members of the subcommittee on senior citizens health issues and two staff persons be authorized to travel to Washington, D.C., from April 27 to 29, 1993 in relation to their study on elderly abuse.

Motion agreed to.

* * *

PETITIONS

IMMIGRATION

Mr. Jim Karpoff (Surrey North): Madam Speaker, I have the privilege to present a petition pursuant to Standing Order 36 signed by hundreds of people within my riding of Surrey North.

The petition points out that the planned closure of the immigration office in Surrey and New Westminster will result in people having to travel to Vancouver to receive service. There are severe processing delays at the Vancouver office. This is going to result in diminished service in spite of the fact that the office in Surrey took in over $4 million in fees last year.

The petitioners call upon the government to reverse its decision and leave the immigration offices in Surrey and New Westminster open.

VIOLENCE AGAINST CHILDREN

Mr. Alex Kindy (Calgary Northeast): Madam Speaker, I rise to present a series of petitions in memory of all children who have suffered from the hands of others.

The petition states that this petition has been formed to stress our beliefs that the penalties in retrospect of child molesters and child murderers are far too lenient in this country. The petitioners strongly request that this petition be heard as the people's vote to reinstate capital punishment for child murderers and stiffen penalties for child molesters. If we cannot protect our children from the people who commit these heinous crimes then who will?

Therefore the petitioners call upon Parliament to enact legislation against these types of offenders.

• (1100)

GASOLINE PRICES

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, I have a petition from a number of people in the Ottawa area who bring to the attention of the House the fact that retail gasoline prices are significantly higher here than they are in other parts of Ontario.

The petitioners state that the pricing differential is discriminatory and unfair. They call upon Parliament to ask the government to correct this disparity.

IMMIGRATION

Mr. Terry Clifford (London—Middlesex): Madam Speaker, pursuant to Standing Order 36, I have a petition to present to this House on behalf of thousands of citizens of London with regard to the Mohammad Doleh family in its quest to be granted landed immigrant status.

This family obviously has influenced and been a main part of life in London, as witnessed by thousands of their fellow Londoners who want this family to remain in Canada and be part of the quality of life that we have in London and London—Middlesex.

I urge the government and its minister of immigration to listen to these Canadians who have told us what other people they want in this country. I urge that the Mohammad Doleh family be considered.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, I suggest that all the questions be allowed to stand.

Madam Deputy Speaker: Shall the questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

INCOME TAX ACT

MEASURE TO AMEND

Hon. Marcel Danis (for the Minister of Finance) moved that Bill C-92, an Act to amend the Income Tax Act, the Canadian Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related Acts, be read the third time and passed.

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, I am pleased to have this opportunity to begin the debate on third reading of Bill C-92, which amends the Income Tax Act and various other laws.

This bill will implement some important measures announced for the first time in the 1992 budget. It follows up an important promise made by this government to reduce spending so that we can lower taxes and promote growth and competitiveness. This bill also includes some technical changes to the Income Tax Act.

These technical changes are the result of constructive comments we received from taxpayers and their advisers in recent years. The purpose of these changes is to maintain and increase the fairness and efficiency of the tax system. This is an important element of this government's commitment to strengthen the Canadian economy by eliminating barriers and distortions in the tax system.

Let me first of all discuss the proposed tax reductions.

Above all, Bill C-92 would assure legislative approval of the reduction of 1 per cent in the surtax on individual income which took effect on July 1, 1992 as well as the additional reduction of 1 per cent which took effect on January 1, 1993. With these measures announced in the February 1992 budget, the surtax falls to 3 per cent of basic federal tax; 14.6 million Canadian taxpayers will benefit from these reductions. The total impact of federal revenues is expected to amount to $6.6 billion over the period from 1992-93 to 1996-97. I should point out, that these reductions are being covered by cutting expenditures elsewhere in government.

• (1105)

In addition, the House is being asked to consider a number of changes in the tax treatment of Canadian businesses. We propose to reduce the tax rate on income derived by corporations from manufacturing and processing from 23 per cent to 21 per cent, in two stages. The first decline takes effect on January 1, 1993. The second one, a one point reduction, is scheduled for January 1, 1994.

The goal of these initiatives is to assist companies in the manufacturing and processing sector as they restructure their operations and take advantage of new opportunities. This legislation also implements a number of other tax measures announced in the February 1992 budget.

The Income Tax Act will be amended to no longer provide the $100,000 life-time capital gains exemption on real estate purchased after February 1992. The exemption will apply only to real estate purchased before March 1992.

The rules concerning labour-sponsored venture capital corporations are amended to increase the maximum credit for investments in these funds, increase the size of the company in which the funds may be invested and relax the eligibility criteria for the fund sponsorship.

The Income Tax Act will also be amended to implement the Home Buyers' Plan. This measure allows homebuyers to withdraw up to $20,000 in existing funds from registered retirement savings plans and to use the money to finance the purchase of new or existing homes. Where the home is being occupied as the buyer's principal residence, there is no tax on the withdrawal. So far, there have been 130,000 withdrawals since the plan was announced.

The tax system will be modified to treat common-law couples in the same way as married couples. The broader definition of "spouse" that is currently used in the Income Tax Act for provisions relating to pensions and other retirement plans will be extended for all other purposes under this act. Under this broader definition, the term "spouse" will include both married and common-law spouses.

After discussing the measures in this bill that were announced in the 1992 budget, I would now like to return to some of the technical amendments we are proposing to the Income Tax Act.

First of all, we propose to reverse the ordering of the credit currently provided for the large corporations taxed in the special Part VI tax on financial institutions against the corporate surtax and income tax. This will allow foreign parents of Canadian companies to obtain recognition abroad for a larger portion of the Canadian taxes for which they are liable and provide an added incentive for them to continue investing in the Canadian economy.

Second, we propose to amend the Income Tax Act so that once the bill is enacted, the government can collect a portion of the taxes in cases where there is a dispute. This provision will apply only to disputed taxes of companies that are liable to the tax on large corporations. Individual taxpayers and small companies will not be required to pay over disputed taxes until a court has ultimately ruled on the question of liability of those taxes.

Finally, we are proposing certain changes to the 21-year rule for trusts. When the capital gains tax system was introduced in 1972, the then Minister of Finance said it was necessary to tax cumulative gains at the time of decease, to prevent perpetual deferment of income tax and indefinite deferment of capital gains tax through the use of long-term trusts. One of the measures introduced for this purpose was the 21-year rule. This rule provides that the value of trust assets be determined every 21 years, beginning in 1993, and that any accrued capital gains on the assets in the trust at that time be taxable.

• (1110)

However, the 21-year rule had some flaws. Trusts were able to avoid the application of that rule by transferring trust assets to a newly created trust, thus benefiting from a new 21-year period. Moreover, the legislation then did not recognize that the conditions applicable to certain trust arrangements did not allow the distribution of trust assets to beneficiaries before the end of the 21-year period.

The proposed changes were initially announced on February 11, 1991. A provision will ensure that the 21-year period cannot be renewed through the rollover of trust assets to new trusts; in other words, it will no longer be possible to start from the beginning again and thus avoid the deadline set by the 21-year rule.

The second change will extend, for eligible trusts, the 21-year period, that is the date for reporting capital gains which have been accrued but not realized. We proposed this change so that the capital gains tax consequences will be essentially the same whether individuals give property directly to their children or to trusts for the benefit of such children.

Some members of the opposition suggested that the rich can avoid paying taxes by setting up trusts. This is simply not true. When assets are transferred to a trust, the accrued capital gains on those assets must be reported at that time.

Moreover, trusts or their beneficiaries are taxed each year on the income of the trust, just like any other taxpayer. The capital gains realized on assets held in a trust are treated as accruing to the beneficiaries of the trust, thus taking into account the legal reality of these arrangements.

In spite of the fact that the proposed changes to the 21-year rule prevent the indefinite rollover of taxable gains, they have been perceived as a giveaway. Nothing could be further from the truth.

I want to make it clear that trusts are not designed to be tax evasion schemes. They mainly serve to ensure the orderly transfer of assets in a family planning context. This concept should pose no problem to the members of this House, in that parents must be allowed to distribute their assets to their children and other heirs as they see fit.

The proposed changes will ensure that each generation will pay its fair share of tax on the accumulated wealth.

Madam Speaker, as you certainly know, an issue was raised in committee concerning proposed changes to the provisions of the Income Tax Act on the confidentiality of taxpayer information. The issue has to do with the implementation of these arrangements and of the proposed changes for Revenue Canada employees.

This issue has already been brought to the attention of the senior managers of Revenue Canada by the Privacy Commissioner, Bruce Phillips. I have here a letter from Mr. Phillips in which he indicates that he is confident that the proposals can be integrated in a regime which will adequately protect the right to privacy of these employees.

In conclusion, the tax measures announced in the February 1992 budget, including those being implemented through this bill, are part of this government's action plan to set up an economic program supported by Canadians from all regions of the country. This plan includes measures to stimulate economic activities through personal income tax reductions, measures to stimulate the construction industry through the Home Buyers' Plan and measures to promote productive job-creating investments.

The bill also includes necessary technical amendments to the tax system.

In view of the above and in the interest of all Canadians, I urge the members of this House to support Bill C-92.

[*English*]

Mrs. Diane Marleau (Sudbury): Madam Speaker, I rise today to speak against the passage of Bill C-92 and against this government.

• (1115)

The people of Canada have to realize this is a bill to implement measures brought forward in the February 1992 budget. That was over a year ago. Pray tell why it would take over a year to bring forward measures that were to be implemented in 1992.

The bill was introduced for first reading on November 26, 1992. It took a full 10 months for this government to move on this major tax bill. In England, when a budget is brought down, the bills implementing the measures in the budget are introduced almost simultaneously.

Why would it take 10 months for this government to bring forward this bill when it claims it is such a wonderful and terrific package? That is the first question I asked. Is it because the government could not ram it through its bureaucrats? Is it because this government was trying to be devious and bring forward measures in this package that were not particularly good for the people of Canada, along with some that were? It was a way of making the people forget and taking the heat off some things contained in this bill. It galls me to see some of the ways this government treats Canadian taxpayers, Canadian people.

It has taken 10 months to bring forward this bill. We had first reading on November 26 and second reading on February 23. Then we were in a big hurry of course. We had to hurry it through the committee. We had to rush and get everything all set up, because the government has to have this bill now. Now it is really urgent. The government has an opportunity to bring in closure, shut off debate and try to stop any kind of opposition there might be to some of the measures contained in this bill.

One of the things that happened particularly galls me. I was on the committee studying this bill. There was a clause in it having to do with personal tax returns. Frankly to this day I am not convinced whether the government was right in bringing forward this measure or not. I do know there was a lot of fear at the snooping powers that particular provision was giving the supervisors and employers of tax data employees about their personal tax information.

At committee stage that particular clause was removed from the bill. I have some press clippings here. At the time it sounded quite good. It said: "Ottawa drops plan to boost tax man snooping powers". One has to realize

this happened on March 23. Opposition MPs and the committee convinced the government that the Public Service Alliance of Canada had raised sufficient concerns to warrant deletion of this clause. There was no debate on this clause and it was deleted from the bill.

Lo and behold, report stage started on March 29 and the clause was reintroduced completely as is. There was no debate on whether it should be there or not. Just ram it through.

• (1120)

This government believes in top down democracy. It is its way or the highway. That is why the people of Canada are so disgusted with what is happening here. They feel so left out of any debate or any kind of consultation. They feel they cannot get their opinions through.

If we feel that way how can the people of Canada not feel that way? It is absolutely the most despicable, duplicitous way of behaving. It carries on and on.

I have to oppose this bill on the grounds that this government is doing things with this bill that are absolutely wrong for large numbers of Canadians. On the other hand, being as duplicitous as it is, it does things and proposes things in this bill which are quite good. Actually,the government has things in this bill we have asked for. It is its way of playing the political game so it can go to Canadians and say: "Look at those terrible Liberals; they oppose everything we do, even when it is things they have asked for". The government plays its crazy political games with the lives of Canadians and that is absolutely, unequivocally wrong. I do not want to be a party to this kind of deviousness.

It continues. Look at the newspapers today and pick out some of the headlines about the way this government operates. This headline is dated today, April 1, from *The Ottawa Citizen* and states: "Tories Force Vote on Free Trade Bill". We all know the U.S. is probably not going to move forward on this North American free trade bill. There is no rush for us here because there are a number of areas in the negotiations that have not been clarified and should be reworked. There are parallel agreements that have to be brought in.

Are the Conservatives interested in hearing what the Canadian people are saying? Absolutely not. They would not hold any hearings if they could get away with it, but they will not get away with it.

I must remind the Canadian people that second reading of the NAFTA bill occurred during one-half of a short day, which was yesterday afternoon. That is a very limited number of hours of debate on an extremely crucial piece of legislation that the people of Canada are very worried about. They have suffered from the effects of the free trade agreement which this government also rammed through without regard to the kinds of programs that—

[*Translation*]

Mr. Leblanc (Longueuil): Madam Speaker, I would point out to you that there is no government member in the House while we are studying a money bill. I think that is unacceptable. I ask you therefore to take a quorum count.

And the members having been counted:

Madam Deputy Speaker: We have a quorum again, so the hon. member has the floor.

• (1125)

Mrs. Marleau: Madam Speaker, I must take a moment to thank the member for Longueuil, because I did not realize there were no Conservative members in the House during my speech. I know that they do not like to hear what I have to say because I denounce these Conservatives who use the people of Canada and try to put things over them that are not good. It is called pulling a fast one. I know that they do not like to hear such things, but one of the reasons we are here is to represent Canadians and listen to them and do what is good for them, not the Conservative Party.

Excuse me if my language is a little strong, Madam Speaker, but it is disgusting to think that the Conservative Party's coffers are full—I must say that I cannot get over it. It angers me and all Canadians to think that Canadians' pockets are empty but the Conservative Party's coffers are full to overflowing.

That sends a message to people. Who is being served here? Is it the Conservative Party or Canadians? With all I see now and all that has gone on, I wonder if the people of Canada have been well served by this Conservative Party. I do not know whom they have served, but it is certainly not the average man and woman.

If they do not like what I am saying, then they should do something, but they should listen.

[*English*]

I find it very difficult to be a member of this House of Commons when this government continually treats Canadian people with disgust, thinking they have no heads on their shoulders and do not know what is going on.

I have news for the members of the Conservative Party. Canadians know what they have done and they understand it. This particular bill is a classic example of what they do continuously. They pretend to give with one hand to ordinary Canadians when they really are not. They are just looking after a few of their rich friends and that has to stop.

I have a feeling this Conservative government has been doing things to further the cause of the Conservative Party and not the people of Canada. I believe it is time we started representing those whom we have been elected to represent and that is average Canadians. It is essential.

Madam Speaker, you are going to say: "Well, maybe Liberals in the past were not that great". That bothers me because I have often heard a lot of accusations. As you know I have only been a member of the House of Commons since 1988. The other day I was in this House and questioned one of my colleagues who has been a member of Parliament for 25 years. I wondered if it is because I am in opposition. Is this a disease that happens to governments in power? It worries me because I know we will form the next government and I want to make sure we do not succumb to a disease such as that. I want to make every effort to make sure I do not succumb to that kind of disease.

I asked the member of Parliament who has sat as a Liberal for 25 years: "Was it that way when we were on the government side? You were there, tell me".

• (1130)

He said: "Diane, I have to tell you. We were always so worried about doing the right thing for the people of Canada. We always tried and went back to the drawing table and consulted. We did not bring in closure this way. We co-operated with other people in the House of Commons".

This is coming from someone else. I do not know but I hear the Conservative government saying that it is going to reform the institution of Parliament. Believe me, the only way to reform this institution of Parliament is to get rid of this Conservative government because it does not know what it means to have democracy. It does not know the definition of democracy.

It certainly does not believe in anything that has anything to do with what ordinary Canadians feel and think, or else it would not have stifled the debate on the NAFTA.

There have been two half-days of debate on this crucial issue of free trade. Madam Speaker, you tell me I should not be speaking on NAFTA. What I am trying to say is that the government does the same thing over and over and over again. It is doing it with Bill C-92. It has brought in closure on Bill C-92 because suddenly there is a big rush. There was not a big rush a year ago but now there is a big rush.

It does the same thing in every other thing it deals with. These are all today's headlines. This is again in the *The Ottawa Citizen* of April 1, 1993: "Tory slams PCs 'shirking' lobby review".

There is a committee looking at the lobbyists in this country. No one is showing up at the committee so it cannot do its work. No one wants to look at what is happening with these lobbyists. What is the fear? The fear is that these are their friends and, hey, maybe we better keep our friends outside because that keeps us rich and healthy. It does not keep Canadians rich and healthy but it sure keeps the Conservatives rich and healthy.

That is another headline from today. Another one is *The Globe and Mail* of April 1, 1993: "Inquiry may get censored memo". This of course concerns the terrible tragedy at the Westray mine where 26 people lost their lives. There is an inquiry going on as to whether the governments knew of the safety problems at the mine when the project was approved.

We have had all kinds of statements that all the documents were made public and were given to the inquiry. Of course they were not. Who are we serving there? The government is serving itself. That is what it is doing. It is serving itself. More things will come of that.

Then I have this other one which concerns of course the one clause that the government reintroduced at the report stage stifling total debate. It is again from *The Ottawa Citizen* of April 1, 1993: "A government of snoopers".

At a single stroke about 20,000 taxation employees will lose a right of privacy guaranteed to every other Canadian: the right to keep their financial affairs confidential. How disgusting and insensitive. Why does this government intend to do this? Why does it insist on having this power? Of course we cannot get any answers because it rammed the thing through and it refuses to do anything about it. I notice that once again it cannot stand the heat of my speech here. Those members have all left again. I appeal, Madam Speaker—

[*Translation*]

Mr. Leblanc (Longueuil): This is unacceptable. On a point of order, Madam Speaker. For the second time, there are no Conservative MPs in the House right now. This is totally unacceptable. There are about ten of us here. I know there is a leadership campaign going on, but they still have to deal with the affairs of the state. I call for a quorum count.

Madam Deputy Speaker: Call in the members.

• (1135)

And the bells having rung:

Madam Deputy Speaker: There being a quorum, the debate shall continue.

[*English*]

Mrs. Marleau: Madam Speaker, I am pleased to see that we again have a large number of Conservatives in the House of Commons to listen to my sage advice. However, let me remind the Conservatives on that side of the House that we are opposed to this bill. It is not our responsibility to have and maintain quorum and to have a large number of members here. It is their responsibility to have their members sitting in this House to ensure that this piece of legislation passes. They claim they absolutely have to have it and that is why they imposed closure. They hold it near and dear to their heart.

I have a feeling that these people are embarrassed by some of the things they are doing and therefore it is very difficult to sit in the House and be told that this is not a good way to proceed. I would ask them to continue sitting here and I will try to limit my speech to the content of this particular tax bill.

I will speak to the 21-year rule on trusts. We have heard a lot of things from this government on the reduction of debt and deficit. We have heard *ad nauseam* how great it was at reducing the debt and deficit. We all know that it does not know how to do it because the debt and the deficit are extremely large and it has been running this country for almost nine years. Obviously its talk is cheap. Its actions are what we have to watch.

• (1140)

Look at what is happening with the almost indefinite extension of the 21 years. Look at when capital gains were introduced. We have to remember that prior to 1972 capital gains or appreciation in value of any assets, whatever they were, were not taxed. When that was brought in it was decided that because trusts in essence never die—they are not human—there should be a way of taxing the capital gains held in them. At that time it was felt that 21 years was really a reasonable time.

Let me remind this House that this particular extension of the 21-year rule is extremely important to those trusts that were already set up prior to 1972. Remember that these assets have never had any kind of capital gains taxation. These assets, many of which are very large, have been held in these trusts for longer than 21 years but there has been no deemed realization. The only way not to have capital gains at this time, if they wished to avoid them, would be to distribute the assets to the beneficiaries. However, it is far better for those people who control those trusts to keep them as is.

This government has decided that these people would be allowed to defer taxation on the capital gains held in those trusts almost indefinitely. It is saying that they will be taxed some day. Yes, they will be taxed some day. We do not know when exactly. However, we do know that any kind of a tax deferral is generally a benefit. It is a huge benefit if it is deferred for a year, but if it is deferred for 50 years many things can happen and many laws can change. In essence it is as if there is no taxation on that for a very long time. This government that needs those tax dollars is saying: "We are going to allow them

not to pay taxes now on capital gains in those trusts for perhaps another 30 or 40 years".

When we were in committee we asked the finance officials if they could give us any kind of an estimate. Of course they could not. I have said this before. I have never heard of financial officials who could not give us an estimate on whatever it is they wanted. I am convinced that there are some facts and figures somewhere that would give a ballpark figure of the kind of tax revenues that are being forgone for the immediate and maybe the next 20 years. I think they are very substantial.

I want to believe when this government goes down to defeat that this will be seriously looked at and that this exemption will perhaps not be allowed to sit as it is being proposed today. It is a serious matter. The debt and deficit of this country are serious matters. Trusts by and large are a tax shielding mechanism.

I want to denounce this particular part of that bill. It has been trying to bring this in, trying and trying to bring this in. I will say that it is going to do it by ramming it through and not letting too much debate go on. It thinks the Canadian people are going to forget about it because there are good things in this bill and things that they might want. As usual the government carries on doing what it wants at the expense of ordinary Canadians.

• (1145)

It brings to mind what is happening in another area and that concerns the poverty line. A committee of this House is being boycotted by all opposition parties. The Tories do not like the statistics on poverty in Canada. They do not like the sheer numbers they see and have decided to redefine what it means to be poor so that they can have statistics that will favour them more.

How horrible to think that rather than address the real problems of joblessness and hopelessness, they would change the definition of poverty to suit their ends. How low can they go? I hope they cannot go much lower than they are going now and I hope it does not last much longer.

I wait, and I know that Canadians wait, to have an election so that they can voice their opinions and let the politicians know just how much they have had it with their policies, with their lack of consideration of ordinary Canadians.

Another section of the bill concerns the taxation of capital gains, the $100,000. We know that capital gains exemptions were brought in by this Conservative government. We also know that by and large it is mostly wealthy Canadians who have been able to take advantage of the exemption on capital gains. The government told us that the excuse for bringing in the capital gains taxation exemption was to allow more investment in business.

We also know, we have the facts and figures to prove it, that it actually did not generate anywhere near the kind of investment in business that the government thought it would, not even one-half. I believe it is in the neighbourhood of perhaps $6 billion, but we know that it cost the government in tax revenues $20 billion and up. Those figures go back to perhaps 1991.

Now the government has decided it really should get out of capital gains exemptions, but rather than make a decision and treat all Canadians the same, it has decided to pick on one segment of society. It happens to affect those who can least defend themselves. It almost appears as if the government does it on purpose, attack those that cannot defend themselves. We see it over and over again.

Who does it attack? It attacked the seniors back in 1984-85 but, lo and behold, the seniors were better organized. They fought back and the government had to backtrack.

Just this year, at a time of total despair in the Canadian work force, we know the loss of jobs has been monumental. We know the unemployment rate is extremely high. We know those who have jobs are worried about keeping their jobs. We know those who have jobs have to work twice as hard as they have ever worked before just to make sure they can produce. We know all of that. Yet this government decides it is going to try and blame the woes of this country on the unemployed. It is going to try to make Canadians believe that large numbers of Canadians quit their jobs and go on holidays.

I do not know very many Canadians who quit their jobs these days because if they leave a job without really good reasons they are not going to get another one, and living on unemployment insurance is not the way most Canadians want to be.

Again the government is picking on those who really cannot defend themselves or have a difficult time defending themselves. When we look at the $100,000 capital gains we know that once again it is using the excuse that it wants to keep capital gains exemption taxation for those people to invest in business. Does a person who builds a small apartment building and who works very hard not contribute to the well-being of the business community in this country? I believe he does.

• (1150)

In Ontario the NDP has done everything in its power to kill the small investor. That is a shame. These people work very hard and perhaps have built a duplex or a small apartment building for income for their retirement. It is their retirement insurance. They have mostly built it themselves, maybe using small subcontractors. Maybe they bought an old house and converted it. If any capital gains at all is to be made by these people they are going to be hit by the federal government.

When I introduced the motion my feeling was that we should consider whether we want to have capital gains exemptions in the tax system. Perhaps we should not have them. However we should not pick on one group that tends to be the most defenceless versus the other, the friends of the Conservatives, the Bay Street boys, the brokers. If they make a gain because they have gone to their broker and played the stock market, that is all right. If they have not taken their 100,000 capital gains already, they can still use it.

I find it despicable that we play this kind of game with the ordinary people of Canada. It has to stop. That is one of the reasons I am totally opposed and will not support this bill even though there are measures in it that I support.

I know that in the past this same Conservative Party, when the Liberals had tried to bring in a many faceted tax bill, caused the bells to ring in this House for two weeks non-stop until the Liberals broke the bill apart and agreed to present it in different sections. That is what should happen to this bill.

Of course the Conservatives being in power have changed all the rules. Now members of the opposition have very few ways of delaying or stopping anything that goes through this House. What is happening here is by and large the death of democracy. The committee system does not work the way it should work, not if we look at what is happening with this bill and what the committee did. Then the government turned around and reintroduced it as is.

That should send a message to people. Those members do not care. They just want their way no matter. They are told. It does not matter what kind of information is brought forward they choose to ignore it and go on to impose their will on average Canadians.

I want to stress that this bill contains some measures that if they were not passed would help bring down the deficit. They would help bring down the deficit this year. Perhaps we could then be somewhat closer to reaching the deficit targets that have been set previously. We could come somewhat closer.

Every year the government tells us in its budget that it is going to have these wonderful reductions in the deficit. It never happens. It does not happen if measures such as these are brought forward.

• (1155)

I beseech you, Madam Speaker, to let me address the people on the other side. Let me tell them that for all that is sacred in this democratic country and for all that we are facing serious financial problems, to delete that section of the bill. The government cannot allow these trusts to go on for another 20, 30, 40 or 50 years without getting the capital gains taxation, without those revenues which could help fund this debt and deficit. If the government does not want to use the money against the debt and deficit, perhaps it could use it to create some jobs, to do some of the infrastructure programs, to help Canadians get back to work and to help those in real despair in this country.

[*Translation*]

Madam Deputy Speaker: I wish to inform the House that because of the ministerial statement Government Orders will be extended today by 39 minutes beginning at 1 p.m., pursuant to Standing Order 33(2)(a).

[*English*]

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I might begin by telling the hon. member for Sudbury who just spoke that the Conservatives did not ring the bells on an income tax bill. They rang the bells back in the spring of 1982 over an energy bill. It was an omnibus energy bill that prompted them to act in that way. It had nothing to do with income tax.

In any event there are a number of things I would like to say at third reading on this bill and some of them relate to the hon. member for Sudbury, particularly with respect to the question of trusts.

The member said, and quite rightly, that the government acts as if it does not expect the Canadian people to notice what it is doing and that it assumes it can get away with certain things. Extending the capital gains tax exemption for these trusts was one of the things that it thought it could get away with.

I guess what I would like to say to the hon. member for Sudbury is that the Conservatives got away with it with her. At second reading of this bill, when I was making the very same arguments that she made this afternoon, she was on her feet siding with the government. She was saying that the NDP were making a big deal out of nothing and that she was thankful to the minister at that time for clarifying the matter. There was no willingness on the part of the Liberal Party to deal with the offence that this extension of the exemption for the trusts actually constitutes.

I raised this matter in the House time and time again in the months leading up to the time when we had the opportunity to debate this legislation. Not once, never, on no occasion was this ever raised by the Liberal Party. Thus, I found this whole debate about the trusts passing strange.

The best face that I can put on it for the Liberal Party is that some of them are teachable or that the hon. member for Sudbury was taking the party line on second reading and, to her credit perhaps, was persuaded in committee that the Liberal Party position on this, which was one of silence and collaboration, stunk and that maybe she should do something about it. You could see her mind changing from one of acquiescence to one of scepticism, to finally one of opposition, which is what we see here today. That is the kind of thing you like to see. We should not all come here with fixed positions and closed minds about issues.

• (1200)

I do not think it should go unmentioned that there has been a development in the Liberal position, not unlike developments in Liberal positions on other things. The NDP raised a fuss and managed to get some attention paid to the issue. The Liberals hoped it would go away. Then they said: "It is not going away. We better change our position. We do not want the NDP to outflank us on this one".

Then we had the spectacle of the member for Sudbury moving an amendment at report stage to eliminate the very measure which she had thanked the Conservative Minister of Finance for clarifying and defending at second reading debate. Fair enough, people learn and we are glad to see that, but we think that people ought to be aware of how these things sometimes unfold.

Another matter that the hon. member for Sudbury mentioned, and quite rightly so, concerned time allocation and the fact that we are debating Bill C–92 at third reading in the context of time allocation.

I might mention, before I even touch on the larger question of time allocation, one of the things we need to look at. It seems there is never any end to the things that we need to look at in terms of rule changes to cover a new development or new combinations of the ways that rules interact with each other.

We had a quorum call earlier, and quite rightly so because the government could have shown the decency to maintain at least one person in here to listen to the opposition arguments on this bill. It now has more than that and we are glad to see that.

What struck me when quorum was called was that we were using up the time of the opposition, whose time was already limited by time allocation. Perhaps we need to look at ways in which the government can be prevented from further using up the time of the opposition by not maintaining its own responsibility for quorum and forcing opposition parties or members, or for that matter backbenchers of any sort, into the position in which they have to choose between using up time which is limited because of time allocation and forcing the government to live up to its responsibilities to maintain a quorum.

This was never a problem before because we never had time allocation in the same routine way that we now have it. Nothing could be more routine than the fact that the government moved time allocation on Bill C–92.

This is not a debate that would have lasted a long time. It is a bill that the government took 10 months to bring forward. It is a bill that only had two committee meet-

ings. Wow, boy, did we ever hold things up. There must be a real need to get this through third reading after that lengthy, exasperating, frustrating, and never–ending process that the opposition forced the government through in committee.

It is a joke. The government across the way is turning this place into a joke by constantly moving time allocation when there is no need to or moving it when it is totally inappropriate, as it did yesterday with respect to the North American free trade agreement.

An hon. member: Talk about the bill.

Mr. Blaikie: I am talking about time allocation. We are under time allocation right now so it is perfectly relevant to talk about time allocation.

I want to say that again the hon. member for Sudbury, or at least her party, displays strange ambiguities when it comes to her and her party's outrage about time allocation.

Today the Liberals when debating Bill C–92 are speaking out against time allocation on NAFTA, which happened yesterday. Where were they yesterday? Why was there no point of order raised by the House leader of Her Majesty's Loyal Opposition with respect to the motion of time allocation on NAFTA? Why were there dozens of Liberals absent from the vote last night with respect to the vote on the North American free trade agreement? Why is the outrage saved for the day after on a bill that has nothing to do with NAFTA?

• (1205)

Maybe these two things are linked. Maybe they are linked in that both with respect to the trusts and NAFTA the Liberals are playing the same political game. They want to be on the record as being opposed to these things so they are not vulnerable to criticism from the NDP and from others that they are taking the same position as the Conservatives. Yet they do not want to make too big a deal out of it because they do not want to raise the ire of those who in the final analysis call the tune for the Liberal Party as well as the Conservative Party. The corporate elite are the same people who have the trusts and who support the North American free trade agreement.

It is no surprise to me or my colleagues that no fuss is raised about what has happened here in the last little while with respect to the North American free trade agreement and that what fuss there has been with respect to the trusts has been last minute and very minimal.

I would like to speak about two or three elements of the bill that is before us. It is a large bill and there are things in it that we could have given a lot more attention to, but we would not have been allowed to pay attention to them anyway. Had we indicated in any way that we wanted the committee to look at other significant elements of what was in the bill the committee would have been shut down and we would have been back here anyway.

The issue of trusts was the main thing. We did succeed, and this happened because the NDP requested it, in having some witnesses before the committee with respect to the 21–year tax exemption for trusts. We had some excellent testimony from Professor Neil Brooks and from Mr. Sidney Goldstein, a practising tax lawyer.

It was interesting to watch because by the time the witnesses finished not only had the hon. member for Sudbury seen the light but the members on the government side had been quietened. Their former exuberance, their former uncritical defence of this measure was silenced. Even the member for Mississauga South, and it is hard to imagine, seemed to be a bit on the quiet side by the time the witnesses got through explaining just what a real tax benefit this extension is for all the people who will be affected by it.

The Revenue Canada officials who appeared tried to argue that there is no tax benefit in trusts, no tax advantage. Amazing. People go to all the trouble of setting up these trusts for nothing, just because they like trusts. In some cases they may set them up in order to maintain control over certain assets, et cetera, but they certainly also do it because there is a tax advantage to be had. This tax advantage is extended and made more offensive by the measure that is before us in Bill C–92.

I am glad, even though we have not succeeded in defeating Bill C–92, that we have played a role over the last year or so in making sure that Canadians actually do know just what is going on here.

• (1210)

Had we not raised this, and for that matter had I not raised it as the NDP tax critic over the last several months, it would have just happened and it would have continued to have been what I called it once in this Chamber: a dark dirty secret about what the government was doing for the rich in this country.

It is not a secret any more. It is not as widely known as I would like, but it is not a secret any more. The government will have to answer for this. It will have to answer for the lie that this gives to its rhetoric about deficit reduction. How are ordinary Canadians to believe that the government is serious about deficit reduction when it sees that in spite of its rhetoric about deficit reduction it persists in maintaining and extending certain tax loopholes for wealthy Canadians?

If it was willing to close these loopholes and then say that it has closed a lot of these loopholes, closed them all, and its back is still to the wall fiscally then all this rhetoric about tough decisions might have some credibility. In the absence of that action that kind of rhetoric does not cut it with ordinary Canadians, even though they might be concerned about the deficit, as we all should be. People want to know that if governments are going to address the serious question of deficit reduction they are going to do it in a way that is fair, that calls upon everyone to sacrifice according to their means, and that does not exempt certain classes of people from contributing their fair share to the over–all common good.

That is what we have here. Certain classes of people are being exempted. In the meantime the poor are getting poorer and the middle class, as an hon. member said in this House the other day, is getting the shaft. That is certainly the way the people in my riding feel. They feel they are the people who are paying the bills in this country, who are obeying the rules in this country, who do not expect any special favours from government, who are working and contributing to their community, raising families, and going to work every day. Their income tax is coming straight off their cheques. They do not have any fancy pants lawyers and accountants to figure out how not to pay taxes.

There is a whole industry out there devoted to cheating the Canadian public. It is led by a host of lawyers and accountants, most of whom should wind up at the bottom of the sea.

Mr. Lewis: I rise on a point of order, Madam Speaker. I know that comment was made in the midst of debate, but as a lawyer and an accountant I resent the inference that there is a whole industry out there dedicated to cheating. I think my hon. friend might better review that remark to see if he might want to think better of it in terms of the way he approaches entire professions.

Madam Deputy Speaker: I think the hon. member for Winnipeg Transcona might want to review his remarks. I am sure he did not want to impugn the motives of the entire legal profession.

Mr. Blaikie: Madam Speaker, I will think about it and if I think better of it I will let the hon. member know. The fact is that there is an entire industry in this country devoted to advising people on how to avoid taxes.

Mr. Lewis: You are a poor excuse for an ordained minister.

Mr. Blaikie: Yes, I am an ordained minister. I think there are a lot of people who should be driven out of the temple with a whip, and lawyers and accountants are a good place to start, particularly those who make their living advising people on how to avoid taxes, on how to avoid paying their fair share. If the member is offended by this I am sorry, but it is perfectly within my purview to attribute motives to certain professions. I can tell I have really hit a nerve here.

• (1215)

The other issue that came to the fore with respect to this particular bill was raised by the hon. member for Sudbury. It has to do with the way all the people who work for Revenue Canada are going to be in a special class of taxpayers now. Their employer is going to be able to look through their personal tax files and use whatever information it can find there to pursue disciplinary or other management related objectives.

I think this is an invasion of the privacy of these employees. It is a violation of a longstanding tradition with respect to taxpayers' files and it was quite rightly protested by the privacy commissioner.

The privacy commissioner is now satisfied that the government will provide the appropriate safeguards and in some sense has withdrawn his objection. But this has not satisfied the people who work for Revenue Canada. They continue to be concerned as are members of the opposition. That is another reason for Canadians to be very concerned about some of the precedents being set in this bill.

Mrs. Diane Marleau (Sudbury): Madam Speaker, I am pleased to stand to ask a question of the NDP member. He said I thanked the Minister of Finance for clarifying his position when he spoke to this bill and explained how trusts were taxed and just exactly how the laws were applied. I did thank him because I was about to clarify it as well.

I have seen householders going out that were totally, grossly wrong and misleading. They were actually telling the people in different ridings in this country that trusts paid no income tax whatsoever and that is false.

I was pleased that the government was also on the track of making sure it understood what trusts were all about because it had absolutely no idea.

I can say once more that trusts do pay taxes at the top marginal rate on any earned income within that trust. If they have Canada Savings Bonds they pay the top tax rate on whatever interest is earned, so I had to clarify that.

I also want to know whether the NDP members now understand that this was about capital gains and appreciation of assets that have been held in trust.

When I spoke at second reading on this bill I did state that I wanted more information. I wanted to know the rationale behind what the government was proposing to do because I like to be informed before taking violent stands one way or the other.

I did not get the information I was seeking from the Conservatives. I did not get the facts and figures. The information I did get led me to believe this would be very unfair and we actually need the tax revenues now and not 20 or 50 years from now.

Has the NDP finally learned what is in trusts and what it all means? I want to know this because it is essential. If it wants to pretend it knows how to run the economics of this country, it had better be informed.

Mr. Blaikie: Madam Speaker, we understood from the very beginning the difference between income tax and tax on capital gains.

I challenge the member to produce a householder or anything from any member that says these trusts pay no income taxes, because that was not what was said.

• (1220)

We were saying these trusts paid no capital gains tax and it was to have been paid at the end of the 21-year period that existed from 1972 to 1993. They paid no tax in that 21-year period. They were expected to pay tax at the expiry of that 21-year period and they were now not going to have to pay tax after the expiry of the 21-year period.

The hon. member may have been offended by some of the estimates that were used, but they were received from one of the witnesses whom she quoted in this House. I wish the hon. member would make up her mind. The only information we have been using when critcizing this is estimates given to us by the very same witness the member has quoted herself in this House, Professor Brooks.

If the hon. member is intent on exposing this, I do not know why she would try to muddy the waters by making false accusations about what the NDP has been saying about this.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, I would like to ask the hon. member a question. It relates to his last point, which I do not think he had time to complete.

It concerns the use of people's income tax returns, which is a major change in this legislation. I want to refer him to the fact that the final change in this bill is quite different from what was explained in the standing committee. I do not know whether he or the Public Service unions have picked it up.

I just want to read it for him very briefly. It says:

> —taxpayer information solely for a purpose relating to the supervision, evaluation or discipline of an authorized person—employed—to assist in the administration or enforcement of this Act, the Canada Pension Plan or the Employment Insurance Act—

It includes all the employees of Employment and Immigration Canada and Health and Welfare Canada who deal directly or indirectly with Canada Pension Plan, as well as the employees of Revenue Canada. I spent

three years as a law clerk in a provincial legislature just reading bills. I know what is in the bill.

This has now expanded to three government departments. All these federal government employees will now be supervised and evaluated by their income tax returns. That is what is in the bill. Do not tell me it is not in the bill because I know it is. I just read it. It is on page 248 of the bill. How does the hon. member think the Public Service unions are going to react to this?

Mr. Blaikie: Madam Speaker, I think the hon. member knows how the members of the Public Service unions will react to this. They will react to it with outrage. By reintroducing exactly what was defeated in the committee, the government not only did not take the committee process seriously, as the hon. member points out; it may have actually extended the reach of what was found offensive in committee.

This is a new twist on how not to pay attention to committees. The committee defeats something because it thinks it goes too far. The government agrees and says it will solve the problem; get it defeated in committee and then when it comes to the House, it will bring in something that goes even further.

Whatever the case may be, a horrible precedent has been set that will provide a real and unjust imbalance in the relationship between labour and management at Revenue Canada and any other place where this might apply. I thank the hon. member for making sure I had an opportunity to comment more on this as my time had run out.

• (1225)

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, to continue along that same line of explanation for the bill presently going through the House of Commons, I draw the attention of members to page 248 of this bill.

It says:

> —the supervision evaluation, or discipline of an authorized person—employed by or engaged by or on behalf of—to assist in the administration or enforcement of this Act, the Canada Pension Plan or the Unemployment Insurance Act—

It is quite an infringement to judge somebody for supervision or evaluation purposes.

Would the employer find out how much money the person does or does not have, whether or not he or she is supporting children somewhere, what charities he or she gives to, or what political parties he or she contributed to? That is all information available under the privacy of a person's income tax return to the entire Public Service of Canada now. It would involve employees of employment and immigration who deal indirectly with the Unemployment Insurance Act in employment measures such as section 25, all employees of the Unemployment Insurance Commission, all employees who deal directly or indirectly with the Canada Pension Plan, and all employees who deal directly or indirectly with Revenue Canada.

What is this? The Public Service Alliance of Canada must immediately act and demand a hearing because there is closure in this place. This bill will come to a vote in this place without having any hearings on that section of the act. It will come to a vote this evening so there is nothing the unions can do. There is nothing the employees can do. There is nothing members of Parliament can do. The only option, I suppose, under our system is to go to the Senate and ask it for hearings.

That is what we are passing in this bill. Just imagine when all the employees in the McCurdy conference in Gander, Newfoundland, are being looked at for promotions or salaries. They will have their income tax returns examined. That authorization is given under this bill. All the employees in Grand Falls, Newfoundland, working with employment and immigration can have their income tax returns sent to their bosses to evaluate. That is what is in the bill. That is what we are passing today in the House of Commons.

The member for Mississauga South stood in this Chamber the other day and gave the rationale for this change. Somebody in Revenue Canada appeared before the Federal Court relating to a case in which the person's income tax return was necessary but could not be obtained in advance of the charges being laid. This is why the change was being made in the law because this person could have been disciplined before the case came to the Federal Court.

That member stood and said it and another member stood and said it. Imagine. Because of a case before the Federal Court involving somebody at Revenue Canada, the bill is being changed to give the income tax return of everybody working for the federal government to their bosses for supervision and evaluation purposes. That is not the only change made in the bill.

• (1230)

There is another change here that I just noticed. It did not receive any discussion in committee. It is for people who expect returns from Revenue Canada. Ordinary taxpayers have to pay interest from the time they file or April 30, whichever is later. The government has now changed three sections of the bill: clauses 77(1), 78(1) and so on. Interest will not be paid back now until 45 days after April 30 or after the date filed plus 45 days, whichever is later.

In the fairness package introduced by the Government of Canada last year in this Chamber, it said under fairness that Revenue Canada would pay interest back to the taxpayer just as the taxpayer had to pay interest to Revenue Canada. Now it has changed under this legislation.

This is most incredible, mind-boggling and baffling. We talk about lawyers. There were two members arguing a point a few moments ago. A legal opinion was given in this Chamber and it was given before the committee concerning the reason for the change in the trust law. All people had to do was to use the member's reasoning.

The member for Mississauga South says that all one has to do is to change the trustees. Imagine, all one has to do, he said, was to change the trustees to get around paying the tax. I hope the people in the auditing section of Revenue Canada were listening to members of Parliament when they stood in this Chamber and said that all one had to do was to change the trustees.

We have people employed in the Government of Canada. When one files a return on a trust, a T-3, and it comes up that the trustees are changed there is a little light that goes on in the computer. They want to know why. If it is found that those trustees were changed to avoid the taxes then somebody would be in trouble. GAAR, the General Anti-Avoidance Rule, would be after them. That is the law of this country.

There is a law in this country so that one cannot intentionally avoid paying taxes by simply changing the trustees in a trust. One cannot do it. If one can then a lot of people should be fired in Revenue Canada. I suppose there is something even more alarming than that nonsense that all one has to do to get around paying taxes is to just change a few trustees.

Apart from that, there is the incredible rationale used by the Government of Canada. Here we have the dean of law of the University of Victoria, the associate dean of law of Osgoode Hall and two tax experts, one in Toronto and one in Ottawa, claiming that this is a giveaway to some of the wealthiest people in Canada.

Members of Parliament did not say it. Some members of Parliament have said it over the years. One can read it sometimes in books that have been written to analyse our income tax system. Here we have the experts saying that this is a big giveaway. At the same time we have cut back our transfers to the provincial governments. We have not only cut back to the province of Newfoundland but we have demanded money back.

Imagine this. On the same day that one says one is going to forgive $145 million to two foreign banks that have nothing to do with trade with this nation, there is a bit of diplomacy.

• (1235)

One says to the Government of Newfoundland: "You have to pay back another $100 million because we believe you were overpaid". "Because the system has changed in counting people and we miscounted the population, you have to pay back money, province of Newfoundland, province of Saskatchewan, province of Nova Scotia and province of Prince Edward Island".

It brings in the GST and it taxes people and now it has the experts saying: "But it is giving the biggest tax break that we know of to the wealthiest people in Canada". How does one rationalize that? How does one rationalize putting off the payment of taxes that would have come due this year in 1993? How does one rationalize putting off the payment of those taxes while one puts the GST on ordinary people?

There is no rationale to any of this. There is no reasoning that the Government of Canada can come up with to do what it is doing here today.

A lot of new things happened to our income tax system in 1993. For the first time in 1993, for example, if somebody owes money to the Unemployment Insurance Commission they now have their rebate attached for the

first time in Canadian history. It was never done before. If one owes money to the Unemployment Insurance Commission, if one is not on claim, if one owed it from two years ago or more, or if one is on a claim from a year ago or more, then one can have it attached from one's rebate that is due from Revenue Canada.

Somebody might say: "Oh, yes, but a lot of these cases are fraud cases". However, what is fraud under the Unemployment Insurance Act? I will say what fraud is. I represented a group of carpenters before a federal judge one day. These three carpenters had incorporated themselves—there were other people involved—into a company for what they called bidding purposes, to do bids on jobs. It was judged by national revenue that their unemployment insurance contributions were not for insurable employment because it was not, what is called under the act, at arm's length from the administration of the company.

We had to prove that the company was not formed for the purpose of collecting unemployment insurance. A judgment is given by the judge in this case. Therefore one is left with having to determine whether or not they formed the company just to collect unemployment insurance. One of the chaps was on the stand and the judge said: "Did you form the company so you could collect unemployment insurance?" The fellow says: "Yes, sir, of course that was one of the reasons. I would be a fool not to. What can one do in the middle of winter? Of course one is going to claim unemployment insurance". The judgment came down against those three carpenters. They have to pay back money now from about the last five years. There are endless numbers of these cases.

However, under the meaning of the Unemployment Insurance Act they committed fraud. They fraudulently obtained unemployment insurance. It was unknowing but it is fraud. They will not get a Revenue Canada return until all that money is paid back. It will just be seized now. All the arrangements that were made for pay back are all cancelled. All their returns from Revenue Canada will be seized. Not a week goes by that it does not happen. The unemployment insurance offices throughout this country supply a list of names to Revenue Canada in that province and the action is taken. That is every week.

• (1240)

An hon. member: Hear, hear.

Mr. Baker: The hon. member says: "Hear, hear". There is a real Tory talking: "Hear, hear". Sock it to the poor guys. The rich get richer, the poor get poorer and the middle class get the shaft. That is Tory philosophy and that is what has happened under this bill.

Just imagine our country in the state it is in financially and with the debt up. Just examine the debt. The hon. member for Broadview—Greenwood just did an analysis of the cost of collecting the GST versus the revenues. Everybody is in a situation where they are examining taxes. They are examining what to do to cut and they are examining what to leave out. What are we doing in the House of Commons? We are passing a bill that experts—two deans of two law schools, one associate dean of a law school and two tax experts—claim is the biggest giveaway to the wealthiest people in this country in a long time. That is what we are doing in the House of Commons.

Throw in at the same time these facts. For people in Employment and Immigration connected with the Unemployment Insurance Commission, people in the Canada Pension Plan offices connected with Health and Welfare Canada and all the employees of Revenue Canada, their bosses will be able look at their income tax returns through evaluation and supervision measures. This is quite a day.

All of this is being done under closure. The hon. member has criticized the Liberals for closure. There is an interesting number that he should remember. Closure has been moved in this Chamber since 1988 under the Tories more often than it was from 1933 to 1988. In the last four years in this Chamber it has been moved more often than in those 50 years. Talk about closure. That is what was done. It is no wonder the Tory coffers are so filled with contributions. It is no wonder.

As the Liberal critic, the hon. member for Sudbury, said in this House a few moments ago, the Prime Minister in his resignation speech said: "I have left the Tory party in an extremely good financial position". He took off his glasses and he repeated it: "I have left the Tory party in an extremely generous financial position". Too bad he did not leave this country in the same position.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, thank you for giving me the floor.

I congratulate the hon. member for Gander—Grand Falls for his excellent speech. He underlined the fact that this bill is meant for the wealthy, for the very rich, to allow them to accumulate even more money, to grant them even more tax exemptions, while hitting the other people, the less well off and the medium income citizens.

We have only a few hours, not several days, to consider this bill. I find it surprising, even scandalous, that the government through this legislation will be able to assess the performance of its employees, in some areas, by looking at what used to be secret and sacred, namely their tax returns.

• (1245)

When Canadians fill out their income tax returns, they do it in all honesty, confident that the federal government will never use the information for performance assessment purposes such as promotion, demotion and even dismissal. This is surprising, but it is also shameful.

It is often said, in—

[*English*]

—Public Service 2000 that managers should manage a great bible of public service of the present government. Let managers manage.

Will this mean that from now on the managers in managing their employees in certain departments, certain sections, will now look at the income tax returns and in their nice human way decide whether or not someone should have a promotion, demotion or a transfer maybe across the country? Perhaps they made a contribution to the wrong party, perhaps they gave to the wrong faith or wrong linguistic group. That is abominable.

I would ask the member from Gander to perhaps elaborate some more on what I call a catastrophe in the faith we have in our government.

Mr. Baker: Madam Speaker, I will read the exact section: "use or provide to any person taxpayer information solely for the purpose relating to the supervision, evaluation or discipline of an authorized person who assists" in any way, shape or form "administration or enforcement of this act" which is the Income Tax Act, the Canada Pension Plan or the Unemployment Insurance Act. That is exactly what it is.

Yet when these employees fill out their income tax returns it will not be confidential. Of course I have this little old special tax guide. Oh how uncomplicated my financial affairs must be. This little guide, even a reduced form, shows a declaration of taxpayers' rights, privacy and confidentiality. It covers every taxpayer, but that goes right clean out through the window in these circumstances.

In relation to the hon. member's first observation, he is right because back in 1971 we had an inheritance tax. The Liberals cancelled it, threw it out.

It was replaced by the capital gains tax which at that time was half the normal rate of taxation. It was replaced. The members who were bringing it in, the Minister of Finance at the time upon advice of the finance department and the revenue department said: "Look, what about people who might not pay what was the inheritance tax prior to 1971, replaced by the capital gains in 1972 upon death, because their assets are in trust?"

The 21-year rule was passed. Some people call it an arbitrary figure but I do not think any figure is more arbitrary than death under this bill. The law was that every 21 years it would have to be paid. The money that would normally have been paid, that every small businessman pays, that every normal person pays, would have to paid in 21 years. Twenty-one years from 1972 is 1993, this year. Lo and behold, the government brings in a bill now to cancel the 21-year rule and to let it go for another 40 or 50 years.

• (1250)

Those are the undeniable, indisputable facts behind this legislation that not one member on the government side can deny. Nobody in Canada can deny that and that is why it is such an outrage.

Mr. René Soetens (Ontario): Madam Speaker, I rise to participate in this debate to try to refute some of the nonsense that I have been listening to from the other side. There are two particular points I would immediately like to address, one from the speaker who just sat down commenting about how our Prime Minister has left our party in great shape.

I guess I would only compare it to the prime ministers who preceded our Prime Minister, who not only left our country in absolutely terrible shape but left the Liberal Party virtually bankrupt. Not only did the Liberals wreck the country financially with their profligate spending methods, after they lost the election federally they transferred all those people who used to work for the Liberal government in the early eighties to Ontario where David Peterson gladly said: "Join us; we would love to have you". They then proceeded to increase spending in the province of Ontario at a rate of about 15 per cent a year and did exactly to the province of Ontario what they had done to the whole country. But so much for the Liberal record of the past.

I find it somewhat disturbing that an opposition member would stand and say that because there was a quorum call; we are using up debating time. They are the ones who called these things. I can assure everybody there are lots of Conservatives listening to what they have to say. However, they choose not to speak; they would just as soon choose to count.

I would like to get to the subject matter of Bill C-92 because I am sure that is what members would like me to comment on. There are a number of factors in Bill C-92. The first I would like to deal with is this issue of the $100,000 capital gains exemption.

I understand the concern that exists with removing the $100,000 exemption on passive investments. Passive investments such as real estate are probably the most well-known example. An individual may decide to purchase a second house or a third house and because of inflation it increases in value after a given period of time, whether it is two months or two years, sell it and take the capital gain.

Under the old system they could generally have a capital gain of up to $100,000 and not have to pay tax on it. Under this system they are going to have to pay tax on that income. Some will argue, what about those people who take that second property and use it as a rental property, possibly help provide low cost housing or rental housing in a market that desperately needs it? Yes, those people are looking for capital gains to accrue on that particular property.

What usually happens on those properties is that the person who owns the property is depreciating it through wise accounting methods to increase, if there is any profit in the rental business, that profit by taking capital losses or by depreciating the property value.

They are in fact trying to avoid paying taxes legally. It is not an illegal thing to do, and is very appropriate for those who wish to invest. They can still do it and have their capital gain on the property if they set themselves up in a small business with shares. The shareholdings of that company will increase in value. That becomes an active investment rather than a passive investment.

They have injected some capital into a small business. They have gone into the rental business and at the end of whatever period of time they think is appropriate to take their capital gain, they can take it. It is not just on $100,000, but since they have set it up as a business and the business has some equity and assets, they could potentially go up to $500,000 in capital gain because they are going to be actively investing and promoting a business.

• (1255)

That is what this legislation is designed to do. It is designed to reward people who invest actively in the creation of wealth within Canada; the creation of wealth through the creation of rental properties, if that should be the decision of the investor; or the injection of capital into a small manufacturing company or a small service company. At the end of the period of time it can be sold and they can have up to a $500,000 capital gain.

We on this side of the House are saying, if they are going to have a capital gain it is because they have actively invested in an enterprise that is creating wealth and economic activity rather than a passive investment which is simply sitting on a house and because it has gone up in value through inflation, they have a capital gain.

Certainly in my riding, back in 1988 and 1989, in fact in most of the greater Toronto region and in fact probably in a lot of Canada, people were being, shall we say, junior Reichmanns. The idea was to buy a property because it was going to go up in value. They would then buy a second and a third property, not because they had invested anything in increasing the value of that property. They simply wanted to take a capital gain because of inflation.

We know what has happened to the Reichmanns. It is fair to say that a lot of that has happened to the small Reichmanns. It does not make me happy to see people losing money they have invested, but in this world when they invest money they have an opportunity to make a gain. Similarly because of our system of free enterprise there is also an equal opportunity to lose. People will just have to be very cautious about how that works.

Another portion of this bill deals with trusts. The trust rules were established back in 1972 to deal with the change in the tax structure, as was mentioned by members of the opposition. We were going to replace an estate tax with a capital gains tax. There was a transition period where trusts had been established and there had to be some mechanism to deal with those trusts.

We have heard a lot of comments about witnesses who appeared before the committee. Certainly they are very knowledgeable people, I do not question that at all, and very talented in their particular fields. But as always happens, as I have found, Madam Speaker, and I am sure you have found in your experience here in the House, on any given subject we can have a whole series of expert witnesses each saying something totally opposite to what the other expert has said. It is our role as members of Parliament to listen to all the expertise that is available to us and arrive at a decision, a conclusion.

Some members of the opposition have listened to Professor Neil Brooks, who I might add is very closely tied to Bob Rae and his friends in Toronto, who have accepted the advice of Bob Rae. We know what Bob Rae is doing to the province of Ontario. We know that he is a profligate spender. We know how he loves to tax. We will accept that Neil Brooks in his reflections to the committee had a point, very knowledgeable in his own right, but not a point that I would necessarily agree with.

I think we will find as we look at all these committee reports that we each have to make judgment calls. I am not suggesting that the NDP judgment on Professor Neil Brooks is right or wrong. Suffice to say it is different than my judgment on what he had to say and I prefer my judgment over theirs in this particular instance.

What we have is a problem of this perception being created that trusts are created for the wealthy only and that there is some huge pile of money, billions and billions, sitting there untaxed.

First off, trusts are not created by the wealthy only. They are created for almost anybody who would like to take advantage of them. Let me give some examples because undoubtedly we can reference some large, wealthy families who would establish trusts. However we do not really know who has all these trusts.

There can be circumstances where a family owns a family cottage. The parents have four children and would like to make sure that this cottage stays in the family for all the family to use in the future. They establish a trust so that the family does not get into a squabble over which of the four kids owns the cottage. Do they each have 25 per cent? What happens when the bills come in? Who pays? All those things can happen. It is possible for couples to establish a trust to oversee the management of assets such as a cottage. In order to establish that trust they have to pay capital gains tax on the cottage.

• (1300)

Today we are going to take this cottage from the private ownership of this couple and put it into a trust. They have to value the cottage and to pay capital gains on the cottage. We have eliminated the $100,000 capital gains so we will assume that this is a second home for the people. They have to pay the capital gains on the increased value of the cottage as they put it into the trust. It was not free of tax going in.

For argument's sake the cottage is rented out all year round and it generates revenue to the trust. That revenue minus the expenses—we will assume that there is a profit at the end of the year—each and every year is taxed so that any profit accruing to the trust has income tax paid on it.

That trust under these rules can run until the death of the last of the four children. At that point if the trust or the children who are in a sense the beneficiaries of the trust have decided they are going to leave the cottage to their children, the trust should at the death of the last of the original four children value the cottage, declare the capital gains that have accrued from the day the cottage went into the trust to the day the cottage went out of the trust because of the death of the last child, pay the capital gains and a new trust is therefore created for the next generation.

All the way through there is avoidance or delay of tax. In fact one might argue that this couple who put the cottage in trust 40 years before they died and declared capital gains at year one lent the Government of Canada the tax they paid at that point interest free for 40 years because they would not have had to pay it until they died.

I realize that is an argument that is not being made by others on the other side, but the fact of the matter is that the trust is paying, up front, the capital gains accrued which it would not have to pay under normal circumstances until the death of both parents.

I have used the cottage as a very simple example. It could be a small business where there is an entrepreneur with a local hardware store, a grocery store or a corner store. The entrepreneur could be leaving the business to his or her children. The same rules apply. This idea that it is for the rich is nonsense.

Yes, they can take advantage of these rules just as well as anyone else can. Yes, they may have a greater interest in doing so. The fact of the matter is that these rules are not just created for them.

There is this perception that there are these huge sums of money out there. The fact is that simply because one owns an asset does not mean one has to pay capital gains on it. One only has to pay capital gains when one sells the asset. They would lead one to believe on the other side that one has these trusts sitting with $6 billion, $8 billion, $10 billion or $12 billion worth of assets tax free.

There is no tax owing on them. It is no different for you or I. What is our asset value? For argument's sake we would possibly own a house. We may have some minor investments. It does not matter what they are worth. There is no tax owing on them. It is the same with a trust. Simply because the trust has $100,000 in assets or $1 million in assets or $100 million in assets does not mean there is any tax owing on that money.

The only time a trust owes tax is when the trust generates income. They pay income tax at one of the highest going rates in Canada. A trust is not some way of sheltering income because the trust pays income tax invariably at a rate higher than an individual would pay. All the way through for 5, 10 or 15 years, every year, the trust must file a tax return and pay the tax owing on the income it has generated that year. Of course at the end of the time, if the trust is closed down, if it is transferred to other beneficiaries because of the death of the last beneficiary of the trust, a capital gains tax must be paid on the increase in value of the assets. This idea that trusts sit there tax free outside the rules is really not correct.

• (1305)

There is concern raised about the 21-year rule as it was created in 1972. Now we have come to 1993 and 21 years is up, and these trusts that were a function of 1972 all of a sudden owe a fortune in taxes.

First, they may owe a fortune in tax if there was any capital gains. There is no knowledge of whether there was or was not. There have been an awful lot of companies in this country with assets that have shrunk tremendously over the last 21 years and are technically bankrupt. There is no argument that says they owe a nickel. They may. That is true.

What is not mentioned is that under the rules created in 1972 if a trust ran the entire 21 years it would have to pay the tax. However, it is possible after 18 years or 19 years for the trust to owe a lot of tax in two years' time so it creates a new trust with a new trustee. All the assets from the old trust will be transferred to the new trust. No tax would be owed on that transfer. Lo and behold, what do they have? They have another 21 years to go.

The idea that tax was owed after 21 years is absolute nonsense because it was possible based on the 1972 rules to simply transfer from trust to trust to trust *ad infinitum*. In 500 years from now one could have these trusts still going and never paying capital gains.

That is why I am surprised that the opposition would be opposed to what we are doing. We are saying no longer can one go *ad infinitum* transferring from one trust to the next trust to the next trust. We are saying there is a beneficiary recognized in the trust. When that last beneficiary dies, which can only be immediate members of the family, the trust has to declare and pay its capital gains even though the trust may in fact be putting the money into another trust for the grandchildren or great-grandchildren. The fact is that every time there is a transfer of the trust from generation to generation there must be a payment of capital gains, whereas under the existing rules of 1972 there never needs to be a payment of capital gains because the trust can go on *ad infinitum* for as long as it wishes.

One can see I do not have any problems supporting this particular requirement because we are bringing into force some regulations on trusts and their ability to avoid paying taxes.

If assets are put into a trust, which is obviously what has excited most members of the opposition, then capital gains are paid going into it, as I mentioned. Income tax is paid on the increased valuation based on income earned rather than on inflationary valuation. Income tax is paid as the years go by. Let us presume that a trust, instead of going for 21 years or going to the next generation, simply goes for five years. At that point they decide they are going to take something out of the trust to give to the beneficiaries and pass the value to the people, usually children, who are looking for some cash so they can meet mortgage payments or whatever.

Under the rules the trust would have to value the assets, pay capital gains at that point and then make its payment to the beneficiaries.

From my perspective on the trusts there is every control to make sure that taxes are paid all the time all the way through the system. In fact we closed what I think was a major loophole in allowing the trust to continue to be rolled from one trust to the other.

• (1310)

I just want to make sure I have covered all the major points in my presentation. I see that I have hit everything I wanted to raise. I only have one minute left anyway. I will sit down and that will give the opposition another minute to ask a question or two.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, we on this side of the House are concerned about the protection of estates in trust. We are very concerned about that both from the point of view of the taxpayer and fairness in the taxation system. I will be speaking shortly on subclause 137(1) and specifically subparagraph (h) of that clause on page 247.

The member who has just spoken on behalf of the government will be well aware that this clause was not reported from committee. It was removed from the bill. It has now been reintroduced and even expanded by the government at this stage.

I was quite surprised since this clause deals with the right to have private taxpayer information for the purpose of the supervision, evaluation or discipline of an employee of the Government of Canada not only in the department dealing with taxation but in two other departments.

The President of the Treasury Board, who is nominally the employer of these employees to be supervised, evaluated or disciplined, knows nothing about this clause. That is understandable because this is a bill arising from another minister.

I wonder if the member who has just spoken on behalf of the government could explain why this clause is here and why the government wants to be able to dig into people's personal tax forms for supervising, evaluating or disciplining employees of the Government of Canada.

It already has very strict guidelines, regulations or even legislation as to how supervision, evaluation or discipline is to be carried out. It has just expanded the discretion that the employer has with respect to discipline. I am at a loss. No member of the government has yet explained why the government feels it needs this excessive power.

Mr. Soetens: Madam Speaker, it is evident as I made comments in my opening remarks about how experts appear before committee. Individuals make an interpretation of what they have to say.

The fact of the matter is that the government has very clearly said that it does not need to go through each and every income tax return of Canadians in establishing a case for or against a Revenue Canada employee.

Again I believe it is simply a matter of interpretation as to what is being mentioned. I understand the interest of the member. She certainly campaigned very hard to make sure that the Public Service of Canada had all the rights and that the Government of Canada had no rights. That has certainly been my observation of her interventions on behalf of her constituents.

I guess I would just say that somewhere there has to be a balance. This piece of legislation creates a balance that gives the Government of Canada and the people who work in Revenue Canada an opportunity to make sure that they have access, without going through the personal income tax return, to decide whether an employee in Revenue Canada should be disciplined or not based on work habits or whatever other reasons may be appropriate in the fulfilment of his or her employment with the Government of Canada.

Mrs. Catterall: Madam Speaker, I would like to comment on the reply just given by the hon. member for Ontario who obviously is not aware that I am the critic for the Public Service.

A small number of public servants live in my riding. Some 70 per cent of the 250,000 public servants in fact do not even live in the region of the national capital. He might want to be aware of that. I commented from the perspective of public policy with respect to the Public Service and not from parochial concern for my own constituents, which I carry into everything I do in this House.

• (1315)

I am afraid we have not had a terribly good explanation, considering this is really an exception to our normal rule of privacy about people's income tax returns. The member for Ontario might want to try to explain again why the government feels it needs this authority. It has substantial authority, which he seems not to be aware of, under the Financial Administration Act, the Public Service Employment Act, policies of the departments and codes of conduct of the departments, to discipline, supervise and evaluate. It has almost total discretion to do precisely that, far more than in the private sector.

In light of that I would like to give the member another opportunity to explain why the government feels it needs this authority. Clearly this makes it possible for the government to release personal income tax forms to other persons, such as somebody's supervisor, director or chief, for any purpose relating to supervision. To me that means any supervisor can ask to see the income tax form of a certain employee for any reason and it may be released to him or her.

I would really like the hon. member to try to clarify why it is there. It was removed at committee so why did the government seek not only to reintroduce it but expand it to include anybody working on the Canada Pension Plan directly or indirectly and anybody having anything to do with the Unemployment Insurance Act?

Mr. Soetens: Madam Speaker, I would first like to state I was not being negative about the efforts the member makes on behalf of her own constituents. I would hope we all take similar approaches to representing our constituents, but sometimes there is a fine line between the interests of our constituents and the interests of Canada as a whole.

The member for Mississauga South spoke extensively at report stage on the particular question she is raising. I guess I would encourage her to read the comments of the member for Mississauga South, which I think will quite adequately reflect and answer the concerns she has raised.

I would also ask the member to refer to the representations of the Privacy Commissioner of Canada, Mr. Bruce Phillips, who also issued both letters and comments to the committee on the matter she is raising. As the privacy commissioner Mr. Phillips is certainly not raising any major concerns as he sees it with regard to the bill, the particular clauses and reference.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, there are a couple of principal points I want to raise before I discuss the measures, some of which have been the subject of discussion this afternoon and some of which have not.

There are a number of things that bother me about this bill. First, we are now going back to measures that were passed on February 25, 1992. It is now April 1, 1993. Notwithstanding the closure we have discussed in this House and the slowness of doing business, and totally irrespective of the closure procedures this government continues to invoke, this is an unconscionable time to actually implement tax measures given the difficulty we have with our well-known public deficit and our federal and total national debt.

• (1320)

I want to put into perspective the background of my concern over the length of time it has taken and some of the measures that are contained in this bill as a result of the first 1992 budget if we discount the December budget.

We are now in a position where our national debt has become an instrument and an issue of great concern to all Canadians. It is very difficult to pick up a newspaper or a magazine or listen to any radio station, AM or FM, country and western or serious classical music, without a mention being made of the national debt of Canada within a relatively short time. Although it gives me no comfort that the national debt of most of the G-7 countries is a concern, I take no comfort in knowing we

are second only to Italy with regard to this sad situation we are in.

As I have said in this House more than once, and I need to repeat it again as a backdrop to the presentation I have today, it is not just the amount of the national debt or the federal debt, and I differentiate between them. The federal debt is what the federal government owes and the national debt is what the federal government plus the provincial governments owe. To use a figure alone, although it might be startling, may not be the true measure of what it is we actually owe. Let me amplify that.

In 1984, which I am going to use as a benchmark when this government came to power, the federal debt of the country was $168 billion. I have heard $170 billion used for round figures, but I think, Mr. Speaker, you will find $168 billion is the correct figure.

In a speech given by the finance minister of the day when the government took over shortly after Labour Day in 1984, the deficit was in the vicinity of $35 billion. Through rearrangement of the figures and creative accounting within a short time the deficit went up to about $38 billion. In round figures the deficit in 1984 was around $35 billion. Whether it was $38 billion or $33 billion, through bookkeeping it was in the vicinity of $35 billion.

In four years not much has changed. In almost nine years we are left with essentially the same deficit of $34.5 billion projected on December 3. The finance minister is only too quick to point out they are 1993 dollars and are a lot less than they were in 1984. I will grant him that. That is a fair statement to make.

What the finance minister does not say is that the national debt has doubled. It was $168 billion and two weeks ago a clock in Vancouver showed the doomsday national debt at $450 billion, which is much more than double, and it is going up at the rate of over $1,000 a second.

The true measure of our debt is how much we owe compared to how much we make. In 1984 when we had a debt of $168 billion we owed 42 per cent of our Gross Domestic Product. In other words we owed less than 50 per cent of what we made. That is pretty high. If I owed 50 per cent of what I made I would be a little bit worried. If a business owed 50 per cent of what it made, generally speaking it would be worried about its cash flow and its future.

Almost nine years later where do we stand? We stand in a much worse condition because right now we are approaching a ratio of debt to Gross Domestic Product of 70 per cent. The closest figure I can come up with is 68 per cent. That means we are more than 50 per cent worse off than we were eight and a half years ago.

• (1325)

I do not care how one cooks the books. I do not care how one presents the figures. I do not care how one measures trade deficit imbalances and consumer spending. That is considered by most economists and most people in the business to be an accurate assessment of the financial ability of a country to continue.

Clearly the finance minister is worried about this and the government is worried about this. If one reads through his statements, and I believe he has as much as come out and said it, one will find that the December 3 mini budget, the financial statement of the government, was to calm and assuage the concerns of the foreign countries to which we are in debt.

This is much more of a problem than it was nine years ago, because nine years ago less than 10 per cent of that 42 per cent of our GDP that we owed was owed to foreigners. Today it is now 30 per cent and growing.

I would suspect that when the Minister of Finance comes forth in April, May, or June, whenever it is he is going to present his budget, we are going to be looking at not sorting out the problems of the country but once more assuaging and comforting those foreign interests that are watching us very closely with respect to our credit rating and our ability to borrow money as we continue to get ourselves more deeply mired in the situation.

It is my regrettable belief that we are living in a world of advanced disillusion. I used to think that with every budget the government would be able to sort this mess out.

I am now convinced that it has lost control. It has taxed as much as it can. There is no room for taxation. We have the goods and services tax. Services are being taxed. We have borrowed as much as we can borrow. Now we are in a position where all that is left for the government to do is to blame it on the Liberals nine years ago and to implement, I was going to use the expression nickel and dime but that is not a very sophisticated expression, measures like those measures being implemented in Bill C-92. It will barely scratch the surface of what we really need to get this country back in shape financially.

Let me speak to this bill. It went through first reading on November 26, 1992. It had second reading in February, started report stage on March 29 and resumed it on March 30, the day before yesterday, and it is now going through third reading.

There is another aspect of this bill that bothers me. I have found myself as a legislator, a member of Parliament and a parliamentarian caught in the dilemma of looking at bills put forward by the government. This one is over one inch thick. I would say it is about one and a quarter inches thick. I have been through it. It is very difficult to go through it in detail with the time one has, but I have zeroed in and focused on those parts of the bill with which I am concerned.

There are some very good measures in this bill, such as the reinstitution of the small business development bond program, and reduction of the manufacturing and corporate income tax rates which may be debatable. There is also the introduction of the homeowners plan which allows individuals to use up to $20,000 of their RRSP funds to purchase a home before March 2 of this year, a reduction of the individual surtax from 5 per cent to 3 per cent, and a measure to assist Canadians with disabilities. There are other measures of which I am very much in favour. They have been a long time in coming and I am very much in support of them.

However there are other aspects that have been discussed in this House, and I am not going to go through them all. The one thing that I find to be very inconsistent with the reported quest of the government to find every penny it can to retire the debt of the country is that it would implement such a measure concerning private trusts.

My hon. colleague from Sudbury has done considerable and excellent work in committee, in the House and in her role as a critic in bringing to the attention of the Canadian public the difficulties that we have with a clause in the bill that refers to the 21-year rule of private trusts.

• (1330)

If one reads what is in the bill, starting in clause 42, it would be very difficult for the average person to really understand what it was that was taking place here. Essentially what clause 42 does is continue the extension of the 21-year exemption. In effect this clause really opens a loophole to those Canadians who are in the highest income bracket and those who can afford to have million dollar trust funds set aside.

It opens a loophole which really allows them not to pay taxes until a time in the future, anywhere from 20 to 40 years from now. We do not know how long because it depends on the demise of the last member of a family who would be the recipient of the trust fund. It could be 80 years. Eighty years from now my grandchildren and perhaps my great-grandchildren, and the grandchildren and great-grandchildren of members of the House of Commons, will be looking at different problems.

Our problem with the national debt is a problem of today. The government introduced the GST at the most inopportune and difficult time, when more than 90 per cent of Canadians disagreed with the principle of the goods and services tax and with its implementation at a time when the country was about to go into a recession that was made by our own government, by its own admission.

I am told by the experts that in order to collect a dollar through the goods and services tax when the tax was implemented it cost the government 51 cents. In other words for every dollar that was paid by a consumer on goods and services only 49 cents went to retiring the debt.

Then I juxtapose that against the manufacturers' sales tax which it was supposed to replace, and which was not a tax on services. Maybe 20,000 businesses were subjected to the tax at 13 per cent, which was raised from 8 per cent over the years as part of the 38 tax increases that this government has imposed on Canadians. It took in $17.5 billion, $2 billion more than the net impact of the goods and services tax. More important, with that tax it cost only five cents to collect a dollar.

By anybody's imagination that manufacturers' sales tax, irrespective of its pros and cons, advantages and disadvantages, from an administrative and an efficiency perspective was 10 times more efficient than the goods and services tax. It was certainly a lot more popular too.

I am told by organizations in the business that the goods and services tax will cost businesses $3 billion to collect and around $5 billion to be compliant with. We are looking at $10 billion that businesses had to spend in order to implement this tax.

• (1335)

I cannot understand the inconsistency of allowing loopholes that will allow hundreds of millions of dollars, even billions of dollars, to escape the tax collector. I do not know what the figure is; nobody knows what the figures are. How do we know how much a trust is going to be in future years?

One of the figures that I have heard mentioned in a newspaper article is $10 billion. This would be an open loophole that would allow $10 billion to slide through the taxman's fingers at a time when we are looking for every cent from the lower class, the middle class and people without jobs. They have to pay GST on the very food they buy, that is taxable, and the services they receive, from a haircut to a mechanic working on their car to do required maintenance so they can provide transportation for a family. That is very unfair.

I heard three or four hon. members from the other side defend this tax, and I would expect them to defend it because it is part of the government's bill. I would say that I would not like to be in the position, at least in the constituency that I represent, of having to get on my feet and defend the passage of billions of dollars not being collected from those who could most afford it compared to those who can least afford it, those who have to pay over 90 per cent of their disposable income to the taxman in goods and services. It is grossly unfair and it is a measure of which the government cannot be proud.

While the Prime Minister may boast that his party coffers are in good shape financially, I do not expect that many members of the few who are running again on the other side of the House will be using this as an election issue. It is something of which I do not believe even those who speak in favour of it are proud.

There is another aspect of this bill that I find inconsistent. It is inconsistent with any government that supports its employees. I refer to the roughly 20,000 public servants who are employed in Revenue Canada.

I happen to have a great deal of respect for the Public Service of Canada. I think we have one of the finest public services in the world. I have had experience with many. I have worked with public servants and we should be proud of the work they do. They are not just in Ottawa; they are all throughout Canada. In my riding they operate federal offices from fisheries inspection offices to unemployment insurance centres. While we do not always agree on the way things should be done, I have found that in their application and their professionalism they are as good as there is. Their reputation will stand up against any in any country.

There is a lot of stress involved in working in the Public Service. Public servants are under a lot of pressure to produce. I would like to digress for a second with regard to the cod moratorium. While I do not always agree with the officials of the Department of Fisheries and Oceans I have nothing but the greatest respect for the way they have applied themselves in their jobs in an attempt to provide a service to people. Their package is not always acceptable to constituents who do not qualify, but nonetheless one has to have the highest regard for the amount of work they do in trying to deliver the service they have been asked to deliver by our government.

The clause to which my hon. colleague from Ottawa West made reference is inconsistent with fair treatment of government employees. I have been in this House for a relatively short time and I have been unhappy about some of the comments that have been made and some of the measures that have been taken. I do not want to open old wounds, but I cannot let this go without comment.

I want to make a point about clause 137, which was not initially there but was actually introduced. It takes away the privacy of these 20,000 public servants who are under pressure as it is and allows the system to look at their income tax returns in situations of supervision, discipline or something of that nature.

Those two aspects, the loophole for the rich and the business of lack of privacy for individuals in the revenue department, should be disallowed. It is because of those two negative aspects, despite the good things in this bill, that I will not be able to find it possible to vote for the bill.

[*Translation*]

Madam Deputy Speaker: The hon. member's time has now expired.

[*English*]

We can proceed with questions and comments when we resume Government Orders after Question Period.

[*Translation*]

It being 1.40 p.m., I do now leave the Chair until two o'clock this afternoon.

The House took recess at 1.40 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

GORE BAY–MANITOULIN AIRPORT

Mr. Maurice Foster (Algoma): Mr. Speaker, a few weeks ago the Department of the Environment announced that it would terminate the contract this fall that has provided a manned weather station at the Gore Bay–Manitoulin airport and automate the system. This decision would cost the community six jobs in a district in which unemployment is already too high.

However the implications of this action go far beyond the provision of weather information and unemployment. An automated system will not provide the information on air traffic, airport runway conditions or personalized weather information to pilots and mariners in the north channel area and could jeopardize public safety.

Likewise, because the Department of Transport does not provide services at this airport, the weather station personnel have provided the refuelling of aircraft, parking, landing fees collection, and customs and tourist information at the airport. If these services were removed the airport's viability would be drastically downgraded to the point where the regularly scheduled NorOntair services could be put in jeopardy.

We intend to fight this wrong–headed decision with every means at our disposal. I call on the Minister of the Environment to reverse this decision and renew the contract for a manned weather station at the Gore Bay–Manitoulin airport.

* * *

[*Translation*]

ATLANTIC SALMON FISHERY

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I would like to mention that the Government of Canada, by participating in the program to buy back commercial fishing licences for Atlantic salmon on the North Shore, is contributing directly to perpetuating this species and also contributing to the development of sport fishing in Quebec.

With the program, of which 70 per cent is funded by our government, more than 60 commercial licences in the riding of Manicouagan will be bought back. This will help the Atlantic salmon stocks recover in all the rivers between Franklin and La Romaine on the North Shore of the St. Lawrence. It will also emphasize the development of sport fishing, which helps stabilize the economy of isolated communities on the North Shore.

The program will treat commercial fishermen fairly by giving them reasonable compensation for their gear and for the loss of income that they will incur. This participation is made possible by the Federal Office of Regional Development in Quebec.

This is something concrete that our government is doing for sustainable development and the survival of the Atlantic salmon.

* * *

[*English*]

UKRAINIAN CANADIANS

Mr. Ross Harvey (Edmonton East): Mr. Speaker, Canadians were astonished to learn Monday that the government has now determined that the internment during World War I of more than 5,000 utterly blameless persons of Ukrainian origin was "not of national historic significance".

Therefore there will be no interpretive centre near the largest internment camp at Castle Mountain in Banff National Park and no markers at the other 25 camps, this despite the fact that it was the Ukrainian internees whose forced labour built much of Banff park.

By unanimous resolution this very House deemed the internments to be unwarranted and unjust and called on the government to mark the 26 camp sites and establish "a permanent historic educational exhibit" at Castle Mountain.

The entire NDP caucus stands by that motion. We call on the government to reverse the decision made public this week, build the interpretive centre, mark the other internment sites, formally apologize to the Ukrainian community, and speedily settle the other outstanding redress questions.

* * *

PHARMACEUTICALS

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, the Patented Medicine Prices Review Board gained tough new power under Bill C–91 that will allow it to review the prices of new patented medicines.

All medicines are not patented. In fact most drugs in drug stores are not patented. When the patent on a drug expires it can be produced by anyone. The Patented Medicine Prices Review Board does not have any power over drug prices once the patent has expired.

• (1405)

I would like to point out that some time ago the Minister of National Health and Welfare asked his officials to work with their provincial counterparts to develop a Canadian agency for pharmaceutical information assessment so that Canadian consumers would have the necessary information to compare the prices of non–patented medicines, ensuring that they could get the correct drug at the best possible price.

* * *

DOGRIB NATION

Ms. Ethel Blondin–Andrew (Western Arctic): Mr. Speaker, on March 18, 1993 the Dogrib people signed a $125 million agreement with the Northwest Territories Power Corporation for the development of hydroelectric power in the Dogrib–North Slave region of the Northwest Territories.

This historical agreement is a commercial undertaking that will balance the interests of both parties and will address the legitimate concerns and sensitivities of the traditional economy of the Dogrib with today's opportunities for development in the region.

This brave and bold move by the Dogrib has set an example for all Dene. In developing environmentally sound partnerships with industry they are providing economic security and meaningful job training for their people. It also gives them tremendous strength at the negotiating table for land claims.

I would like to wish the Dogrib nation a very happy and prosperous future. In doing so I congratulate Grand Chief Joe Rabesca of Rae, Chief Isadore Zoe of Lac La Martre, Chief Henry Gon of Rae Lakes, and Chief Joseph Judas of Snare Lake.

* * *

TRADE

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I rise today to express my strong support for the recent agreement by the governments in Canada to reduce internal trade barriers.

The principle that governments will now treat people, goods, services and capital equally, irrespective of where they originate in Canada, is indeed positive news for our small businesses in Canada.

The growth, development and encouragement of our entrepreneurs and small businesses have been seriously hindered by these unnecessary limitations to free movement.

An efficient, open and integrated market in Canada is a must. It will improve the competitiveness of our small businesses in the domestic market and in export markets as more and more of them look outward.

The recent agreement to reduce interprovincial trade barriers is a major step forward for Canadian small business.

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, during the intense debate on the North American free trade agreement that would bind us to Mexico, a low wage partner, and threaten thousands of jobs here in Canada intensity was shown on all sides of the House.

The government was in favour of the legislation. The Liberals allegedly were opposed, and so were the New Democrats and some of the Independents. The crunch came after time allocation, which in effect was closure.

The moment came for the vote to be taken. The government stood up and supported its policy. The combined opposition was prepared to stand and defeat the government. When the vote took place we found that there were 113 members for it and 94 against. Half the Liberal caucus did not show up for the vote.

Everybody in this country who is opposed to NAFTA should recognize that the Liberals did not show up in the House. They could have beaten the bill. Only six members paired. They could have defeated the bill when they had the chance but they did not show up. Why? You figure it out, Mr. Speaker.

* * *

[*Translation*]

SENIORS

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, it is with enthusiasm and pride that I welcome the announcement of the renewal of the federal government strategy concerning the elderly that was made today by the Minister of State for Seniors.

Since 1988, when the first strategy was put in place, the quality of life of senior Canadians has been constantly improving. Indeed, many seniors from all over the country have, at one time or another, enjoyed the New Horizons Program or the Seniors Independence Program, for example.

The main objective of the renewed strategy is to build on the solid foundations of the first strategy in order to allow senior Canadians to take the place that they deserve in society.

The new elements of the renewed strategy, the Ventures for Independence Program and the development of a federal policy on aging, should largely contribute to meet that objective.

At a time when departments are asked to reduce their programs, the commitment and the investment that have just been announced are a clear evidence of the long-term vision of the government and its firm commitment to enhance the independence and the quality of life of seniors in Canada.

* * *

• (1410)

[*English*]

TAXATION

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, in the government's mini budget last December the Minister of Finance announced that there would be an indefinite freeze on increases in grants in lieu of taxes to municipalities.

Residents of the city of Scarborough object to the federal government downloading its tax burden on to local property and business taxpayers. The federal government benefits from municipal services as do all property and business taxpayers.

This unilateral decision not to pay any increase in municipal taxes has the effect of off-loading those costs on to the weakest of our government structures and into a tax structure that is the least flexible and the most regressive.

I call upon the Minister of Finance to reverse his decision to freeze these grants and pick up the federal government's fair share of the local tax burden on Scarborough's constituents.

* * *

[*Translation*]

SENIORS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the Minister of State for Seniors has announced today that the federal government will extend the Seniors Strategy for another five years.

This announcement shows our government's concern for the senior citizens of Canada. It is also an excellent way of helping our society prepare itself to meet the special needs of an aging population.

We are also introducing a new program called "Ventures for Independence". This program will give priority to innovative suggestions aimed at improving the quality of life and independence of seniors.

The development of a federal policy on aging is another new and important element of this strategy. By the year 2031, one in five Canadians will be over 65, and if we want today's and tomorrow's seniors to enjoy independence and dignity in their retirement, we can only be delighted about the renewal of the Seniors Strategy.

* * *

[*English*]

PHARMACEUTICALS

Mr. Stan Keyes (Hamilton West): Mr. Speaker, Canadians should know that Bill C–91, legislation implementing the drug patent legislation, was passed back on December 10, 1992, thanks to the 21 NDP members who failed to show up for that crucial vote.

If the NDP had actually opposed giving multinational drug firms *carte blanche* with brand name drugs sold in Canada for the next 20 years, as it alleged, it would have demanded that every living, breathing member of its caucus show up. Instead, only half of the NDP caucus arrived for that final vote on what was described as the largest single affront to Canada's universal health care system since it was created.

Even the former B.C. premier, the member for Esquimalt—Juan de Fuca, who opposed that Draconian drug patent legislation, did not show up in this House.

As a result of the fact that the NDP did not demand full attendance of its caucus for that crucial vote Canadians are facing higher costs for patent drugs in Canada. By failing to demonstrate its resolve the NDP has helped the Conservative government to allow—

Mr. Speaker: The hon. member's time has expired. I know that other members in the House will breathe a sigh of great relief.

[*Translation*]

TOBACCO SMUGGLING

Mr. Marcel R. Tremblay (Québec–Est): Mr. Speaker, this morning, CBC quoted a spokesperson for the Royal Canadian Mounted Police as saying that only 5 per cent of proceeds from cigarette smuggling are seized. It was also reported that, without a stricter law, the RCMP cannot deal with the problem.

I would like to point out that Bill C–102, which is now at report stage in the House, is designed to provide our police forces with the tools they need in their fight against tobacco smuggling.

I want to remind the House that the government is open to discussions with the provinces in order to address the issue of smuggling.

* * *

[*English*]

LANGUAGE RIGHTS

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, the recommendations made yesterday by the Quebec Conseil de la langue française for the replacement of Bill 178 are not acceptable.

This Draconian law, which bans English on commercial signs in Quebec, will automatically expire this year because it was passed in 1988 by using the notwithstanding clause to override the charter of rights, the Supreme Court, the Quebec Court of Appeal and the Quebec Superior Court.

Considering the importance of this matter, not only for Quebec but for minority language rights throughout Canada, I ask the Prime Minister and all members of Parliament to approach the Quebec government and urge it to opt for a replacement law which fully respects the 1988 Supreme Court decision and does not require the notwithstanding clause.

Such a solution should also respect the principle set out in the Charlottetown accord that Canadians and their governments are committed to the vitality and development of minority language communities throughout Canada. Let us build respect and understanding between our two great language communities, not division and conflict.

• (1415)

[*Translation*]

DECORATIONS AND AWARDS

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, I find it extremely gratifying to draw your attention to a truly exceptional event I attended last week in my riding. More than 680 people came to show their gratitude and respect to more than 40 persons who received the Governor General's 125th anniversary medal, in recognition of their volunteer work and their involvement in the economic and socio-cultural activities of their community.

I want to take this opportunity to express my admiration and to thank these residents of Richmond—Wolfe.

* * *

[*English*]

RUSSIA

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, at the Clinton-Yeltsin summit this week the Prime Minister will announce, in his words, a considerable Russian aid package. The package will address most appropriately wheat shipments and technical assistance.

If Russia is to enjoy economic revitalization we must also support elements essential to industrial growth. One crucial area of unlimited potential is Russian oil and gas reserves.

Many Canadian companies have been negotiating contracts but due to political instability and lack of capital funding the deals are not finalized. One example, Algoma Steel of Sault Ste. Marie, a $50 million seamless tube order was announced by the Prime Minister, signed by our minister of trade and Russia's finance minister. A year later there is still no deal.

A positive development could be the expanded mandate of the Export Development Corporation which will allow it to become more involved in these deals. An example is to take on equity shares in projects.

I ask the Prime Minister to take this weekend's opportunity to finalize any pending Russian-Canadian contracts which will be mutually beneficial.

* * *

PATENTED MEDICINE PRICES REVIEW BOARD

Mr. René Soetens (Ontario): Mr. Speaker, the Patented Medicine Prices Review Board has released its report which says that Canadian drug prices are among the highest of those with which Canada was compared.

During the passing of Bill C-91, known as the drug patent legislation, the opposition argued that it was our generic drug industry and compulsory licensing that kept our prices lower. So much for that argument. Similarly the price of Canadian prescription drugs was supposed to be lower because in Canada we had only 20 years of patent protection and any change would make us pay more.

The Liberals are wrong again. Those countries that we were compared with in Europe have an average of 24 years of protection while in the U.S. they have an average of 25 years. Thus increasing the lifetime of a patent does not increase the price and in fact the opposite may be the reality.

The questions remain then: Has the Patented Medicine Prices Review Board been incapable in the past of controlling the price of prescription drugs and will the new powers given to the board because of Bill C-91 correct this apparent imbalance?

ORAL QUESTION PERIOD

[*English*]

PHARMACEUTICALS

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

When the government proposed Bill C-91 we were told that drug prices would not increase for prescription drugs. Now a study confirms that Canada has some of the highest prices in the world.

I would like to know from the Prime Minister if it is true that the government proposed Bill C-91 to please the Bush administration during the NAFTA negotiations, as it was alleged yesterday by the senior senator

of Arkansas who said that the government caved in under pressure from the Bush administration.

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I have not seen the statement by the senator mentioned by the Leader of the Opposition. However, his question does come as something of a surprise, when I consider that his party and he himself voted against Bill C-91, which would, among other things, give the board additional powers.

If he had voted for Bill C-91, the board would have had additional powers more quickly to monitor the price of drugs.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, the minister did not answer my question.

We want to know why this government always sides with the big multinationals instead of taking care of people who need drugs in this country, the poor and the sick. When will this government make it a priority to look after the weakest members of our society instead of siding with the multinationals who contribute to the coffers of the Conservative Party?

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, it is easy to be negative; however the hon. member forgot to mention the investments made in Quebec. He also forgot to mention the position of the Quebec government, something the hon. member does quite often. Investments that are being made thanks to Bill C-22 in 1987 and Bill C-91 today will ensure that research and development in the pharmaceutical sector takes place in Canada. That is good for Canadians.

• (1420)

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I cannot justify that the poor in our society, the sick in our society, have to pay these high prices which are higher than anywhere else in the world according to a report from his own department.

When will the government realize that a lot of those costs are paid by the provincial governments and the federal government and at this time the country cannot afford to deduct big sums of money for the big international corporations?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, once again, the hon. member overlooked something. He forgot that Bill C-91 applies to one category of drugs. He forgot to say that 80 per cent of the drugs used in this country have absolutely no connection with the legislation contained in Bill C-91, which was passed by the House.

Canadians will not be affected, although the Leader of the Opposition contends they will be, by a bill that, I repeat, will put Canada on the map as a good place to invest in the pharmaceutical sector, where we take a leading position.

Not so long ago, an article stressed how important it was for Canada to have this special niche in research and development with respect to Canadian pharmaceutical products.

[*English*]

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the minister of health.

Yesterday the minister of health claimed in the House that the government's policies have led to lower drug prices for Canadians. One of the government's own departments obviously disagrees with him.

In a letter sent to all Canadian veterans the department says: "In recent years the cost of health care benefits has risen sharply. The cost of prescription drugs has been one of the main reasons for this increase".

Yesterday the minister dismissed the findings of the regulatory agency, the PMPRB. I want to ask the minister if today he will stand in his place and accept the findings of one of his own departments, the Department of Veterans Affairs.

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, unfortunately, the hon. member's question is much the same as the previous one. However, he failed to mention that it is important to have this board, which has the power it needs to review what is happening here in Canada. I would like to state more specifically the additional fines that can be imposed and the fact that the board may

review whatever is going on with respect to pharmaceutical products in this country.

[*English*]

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my supplementary question is for the same minister.

I will give the minister one more chance. Green Shields, a private insurer, the province of Ontario, the province of British Columbia, the Patented Medicine Prices Review Board, and now the Department of Veterans Affairs are telling the government that its drug patent policy simply does not work for Canadians.

I want to ask the minister if he will finally wake up and realize that the policy he has been pursuing is not for the benefit of Canadians. It has been solely for the benefit of international pharmaceutical companies.

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, if $500 million worth of investment in Canada does not benefit Canadians, I wonder what the hon. member expects and what he sees as benefiting Canadians.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I too have a memo from Veterans Affairs Canada in which Veterans Affairs Canada writes to veterans.

• (1425)

> In recent years, the cost of health care benefits has risen sharply. The cost of prescription drugs has been one of the reasons for this increase. The challenge for Veterans Affairs is to continue meeting your health needs at a reasonable cost. One way to do this is by filling your drug prescriptions with lower-priced generic drug products.

Yesterday when I asked this question of the minister in the House, he told me:

> We have no intention of conducting an investigation into the price of drugs, since we have the appropriate mechanisms to ensure that prices remain at reasonable levels for Canadian users.

I want to say to the minister responsible that here is further evidence that drug prices are hurting Canadians. They are hurting veterans. The government's own departments recognize it. Will the government reconsider and hold an inquiry into high drug prices in Canada?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, Canada has taken the necessary steps to ensure two things: First, that pharmaceutical industries come and operate in Canada— which is good for the country in terms of investments— and second, that a board be put in place to make sure that patented medicines are sold in Canada at a justifiable cost.

Bill C-91 gave more powers to the board, thereby guaranteeing that patented medicines would be sold at a reasonable price.

Therefore, I think that the hon. member's question is irrelevant.

Hon. Audrey McLaughlin (Yukon): A supplementary, Mr. Speaker. Since its creation five years ago, the Patented Medicine Prices Review Board has initiated only one inquiry. One inquiry in five years is not what I would call an efficient way of monitoring prices. Drug prices in this country are 56 per cent above the international average. This is hurting senior citizens and chronic care patients who have to pay. Please, launch a ministerial inquiry.

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, what my colleague is forgetting when comparing Canada with other countries is that those countries do not necessarily have generic products and might have longer patent protection than the one we have recently had under the new legislation.

If I follow her reasoning, Bill C-91 should have given even longer patent protection to innovative companies.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the government's own Department of Veterans Affairs acknowledges that generic drugs are lower priced and urges clients to get lower priced generic drugs.

The cost to Canada of this awful legislation is tremendous. I just want to say to the government that we are asking Canadians to expect less and less in health care. Ontario estimates it could lose $100 million because of this legislation. Saskatchewan and Manitoba could lose $10 million a year and New Brunswick almost $15 million a year.

I want to say, while we are asking Canadians to take less and less and we are giving to multinational corporations, surely the government has a responsibility to stand and have an inquiry into high drug prices in Canada. Will it do it?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the answer is yes, the Government of Canada has a responsibility and that is making sure that research and development is carried out in the pharmaceutical industry in this country. We need research and development activity in that field, and our government acted accordingly.

* * *

[*English*]

WESTRAY COAL MINE

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, we on this side of the House have been asking repeatedly for many months questions of the government to provide all of the documents, including the censored documents, in order to shed light on the facts surrounding the Westray coal mine disaster.

I have in my hand a letter addressed to me signed by Justice Peter Richard, wherein he states: "The order was served on the Government of Canada with notice to the Minister of Justice through an associate deputy minister. I was assured by the associate deputy minister that the federal government would co-operate with the inquiry".

I ask the right hon. Prime Minister if he would indicate to the House whether or not the then Minister of Justice was acting alone or acting in full concert and knowledge of the entire cabinet.

• (1430)

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member raises questions about this government co-operating with the provincial commission of inquiry.

He knows that we have co-operated right from the beginning, over 7,500 pages worth of documents. We will be tabling further documents with the commission. We have co-operated with them from the beginning to the end.

The previous Liberal government never co-operated with provincial inquiries. We are.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, it is clear from the response of the minister that not only was there no co-operation forthcoming, but the Government of Canada has deliberately withheld information, censored documents from the judicial inquiry and from the Parliament of Canada.

Yesterday the minister made mention in this House repeatedly about the families of the deceased miners. I have in my hand a letter from a brother of a deceased miner who states in a letter written December 2, 1992 and I quote: "Quashing inquiries and protecting the rights of those responsible only reinforce the prevailing opinion of a massive cover-up. We will not let the federal or provincial governments steamroller us on this one".

I again ask the right hon. Prime Minister: Was the then former Minister of Justice acting alone or with the full consent and knowledge of the entire cabinet? Yes or no.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I said yesterday, and I am going to have to say it again, the only cover-up that has existed with regard to this matter is the hon. member who comes in here with documents that he has had for three or four months which he says purport to reflect on why these miners died, and he does not table them before the House and he did not tell the House about them until two days ago.

I want to give my hon. friend three pieces of information that he should listen to very carefully. First of all, the CANMET report which he said had not been tabled with the commission was tabled with the commission six months ago and the commission counsel confirmed that two days ago; no apology from the hon. member for alleging otherwise.

There was an additional red herring. They said: "No, there are seven pages missing from the CANMET report". I received a letter from our counsel to the commission counsel confirming this morning that there are no missing seven pages. The CANMET report was nine pages yesterday, the day before, forever. It is still nine pages.

The third particular matter which I think the hon. member should understand is that we want to co-operate with the commission because we want to get to the bottom of why these miners died. Safety being a provincial jurisdiction it is properly the purview of a provincial commission. We are happy to co-operate with them.

Here is what Mr. John P. Merritt, the commission counsel, said late yesterday in a letter that I received from the government's counsel. He said: "All information which may be received or gathered by the commission staff during the period that criminal charges are outstanding will be kept confidential by the commission and not be released".

He has also said: "Parties with status will have access to that information once any risk of jeopardizing the criminal proceedings has been removed".

We are concerned about the criminal proceedings, about the RCMP inquiry. Because of that we were very concerned that tabling documents with the commission that were not confidential could impede that inquiry.

We are satisfied with this letter from John Merritt, the commission counsel. I asked my officials, pursuant to this letter that we received late yesterday giving us assurance to speak to the commission, to contact them so that we can transfer these documents most convenient to them as soon as possible at a time appropriate for them.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister.

The minister who has just answered talked about everything but the question that was put by the opposition House leader. I want to quote again from the letter written by Justice Richard to the opposition House leader in which he says: "The order was served on the Government of Canada with notice to the Minister of Justice through an associate deputy minister. I was assured by that associate deputy minister that the federal government would co-operate with the inquiry".

The federal government has not co-operated with the inquiry. Evidence has not been forthcoming.

• (1435)

I want to ask the Prime Minister as the chief of cabinet whether or not the then Minister of Justice was acting alone when she withheld the necessary evidence from a judicial commission of inquiry, or was she acting with the knowledge and consent of cabinet, including the Prime Minister?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the suggestion that a minister, the then Minister of Justice, withheld information either from the cabinet or from the commission of inquiry is of course false, misleading and should be withdrawn on the floor of the House of Commons by the hon. member.

Second, in regard to—

Mr. Axworthy (Winnipeg South Centre): Why? She withheld it.

Mr. Mulroney: Well now the member from Winnipeg is making an even more serious accusation. He is saying that the Minister of Justice knowingly withheld information from an inquiry, presumably with the view to undermining the integrity of that inquiry. That is very serious.

Mr. Axworthy (Winnipeg South Centre): Have we got under your skin?

Mr. Mulroney: If my hon. friend wants to make that charge—

Mr. Speaker: Just a minute. It might be easier if all hon. members listened to the question and then listened to the answer. The right hon. Prime Minister has the floor.

Mr. Mulroney: Mr. Speaker, I am merely indicating, as the minister indicated, that the government has co-operated fully with the inquiry.

I am not acquainted with the particular correspondence that was cited by my hon. friend a few moments ago, and he may care to table it, from the chief justice or the justice who chairs the inquiry. Once we find out when that was sent and what it says we will take a look at

it. If there is any difficulty I or the minister will be happy to clarify any difficulties that may arise.

The allegation that has been made seems to be clearly a concerted one coming from the Official Opposition, directed against the former Minister of Justice, and suggesting that she deliberately conspired with someone to withhold information from a judicial inquiry. That is a very serious accusation.

Normally in this Parliament if you make that kind of accusation you rise and you put your seat in play and if you are wrong, resign.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the Prime Minister knows and it is an acknowledged fact that the counsel for a judicial commission of inquiry took the extraordinary step of going public to rebut the assertion by the government House leader that all of the information that had been asked for had been received. That extraordinary measure was taken.

The government has acknowledged repeatedly that it is refusing under cabinet confidentiality terms to release 18 pages of documents including specifically a memo written to the minister of energy. That is all acknowledged fact.

What is now clear is that the request for information was conveyed to the Government of Canada through the office of the Minister of Justice.

The only question being asked of the Prime Minister is this: Was the then Minister of Justice acting alone or was the then Minister of Justice acting with the knowledge and consent of cabinet? Was this a cabinet decision to withhold from a judicial commission of inquiry the very evidence it sought to investigate this Westray coal mine disaster, Prime Minister? Yes or no.

Mr. Andre: He apologized for it.

Mr. Hockin: It is acknowledged fact.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one day they are after the minister of defence for helicopters and then one day they are after the former Minister of Justice on something else.

Let us examine this. The member just made a statement about the commission counsel of the royal commission in Nova Scotia. It is my understanding that statement by my hon. friend is one that he ought to have known had already been corrected by the commission counsel who apologized to the government. That information was conveyed to my hon. friend yesterday on the floor of the House of Commons.

Mr. Andre: Absolutely, absolutely.

Mr. Tobin: No.

Mr. Chrétien: She made the statement, not us.

Mr. Mulroney: I am not going to yell back and forth across the floor at my hon. friend. It seems to me it is a simple proposition. Either the commission counsel in Nova Scotia apologized to the government and acknowledged he was wrong or he did not. If I am wrong in making that statement I will be happy to withdraw it but that is the information that I have received. That is the information that has been conveyed to the House.

Mr. Tobin: It is wrong.

• (1440)

Mr. Mulroney: My hon. friend says I am wrong. If I am I will be happy to examine the documents again. The information that we have is that the commission counsel so acknowledged his error; that the government had responded fully to the requests that had been raised by the Official Opposition.

Mr. Axworthy (Winnipeg South Centre): It's wrong. He didn't say that.

Mr. Mulroney: The second question raised by my hon. friend is in regard to the Minister of Justice. The question presumes and suggests that the Minister of Justice did something other than pursue her duties in an honourable and entirely appropriate way. Of course she did no such thing. She conducted herself at all times as Minister of Justice in a manner in keeping with the highest standards of the leading law officer of the Crown, which means that there was no such suggestion of any kind made by my hon. friend, and he would do well to withdraw that allegation right now.

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CIGARETTE SMUGGLING

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a question for the Solicitor General.

The RCMP today stated that cigarette smuggling has now been taken over by organized crime. On Tuesday the minister of revenue admitted in the House that tobacco companies are not co–operating in preventing cigarette

smuggling and are in fact making it impossible for the RCMP to trace contraband cigarettes.

In view of these developments, will the minister now reimpose the $8 per carton export tax and cut the feet out from under organized crime?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I can advise my hon. friend that although the job of the Solicitor General seems to cover a multitude of things it does not cover raising taxes, so I will skip that one, if he does not mind.

I would say that he raises a very important point. There is no question that the smuggling of cigarettes is a serious matter, one that the government views with a great deal of concern. We are presently consulting internally and with provinces in an effort to mount an offensive to stop the smuggling.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the Solicitor General was present when the export tax was removed and took part in the press conference so I thought he knew something about it.

I want to give the minister every opportunity to get tough with organized criminals smuggling cigarettes, even though this government caved in last year when the tobacco lobby came calling.

The RCMP now admits it is able to only intercept 5 per cent of smuggled cigarettes. What new measures is this government prepared to bring forward to assist the RCMP? That is within his jurisdiction.

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, there is no question that we are going to develop as many new methods of dealing with this matter as possible. I am not prepared to deal with them on the floor of the House of Commons until they are finalized. Until such time as they are finalized I am only going to lay out in public those matters which it makes sense to lay out in public. The rest of them we use to get the smugglers.

* * *

FEDERAL PENITENTIARIES

Mr. Bob Horner (Mississauga West): Mr. Speaker, my question is directed to the Solicitor General. Yesterday we were informed that the government was considering raising the pay of inmates in federal penitentiaries.

I thought this was too silly to get too concerned about, until I read the newspaper this morning and saw that the leprechaun Sean Durkan from *The Toronto Sun* had stated that this was indeed a fact, that we were going to raise the salaries of inmates in federal penitentiaries.

I ask the Solicitor General to please stand in his place and state, at a time when Canadians are taking cutbacks in their pay, at a time when Canadians are having their pay frozen to aid us in coming out of this recession, that he will not go ahead with this ludicrous procedure of raising the pay of inmates.

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I appreciate my hon. friend's question and the concern with which he approaches this matter.

There have been considerations in terms of allowances and the way we deal with corrections and a draft paper has been circulated.

As part of the consultations in discussions that I wanted to have as Solicitor General I met with the Union of Solicitor General's Employees yesterday. I met with the Professional Institute of the Public Service and I also met with the justice committee which is composed of members from all sides of the House.

• (1445)

As a result of those consultations and the suggestions made to me, some very interesting suggestions as to how things could be approached and the temper of the times, I have decided that we will do a complete review of the matter.

* * *

[*Translation*]

WESTRAY COAL MINE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister.

Judge Richard of the commission of inquiry on the explosion at the Westray mine said in a letter that he had filed a notice with the government and with the Minister of Justice and that the government had promised its full co-operation.

Given that some pages are missing from the document that the commission has, did the Minister of Justice hide documents with or without the consent of the Prime Minister and Cabinet?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, a stupid question in English does not become an intelligent one in French.

This is nonsense directed at the reputation of a member of this House. Normally when someone makes such accusations, he has the courage or the decency to put his seat on the line if the assertion is proven false.

I asked his colleague in English to table the letter in question and we will see what the chief judge and the judge say. Furthermore, it should be noted that the minister responsible for this issue here in the House answered several times yesterday and again today that not only the minister but also the government had met their obligations to the commission of inquiry.

I can tell my friend that we are co-operating fully and fruitfully with the royal commission of inquiry and continuing to do so right now.

Mr. Don Boudria (Glengarry—Prescott—Russell): With all due respect to the Prime Minister, the letter that the minister tabled in the House yesterday says nothing of the sort. I quote an excerpt from the letter: "The commission is still waiting for an answer as to whether the nine pages constitute a complete report." We know that there were 16 pages.

Bernadette Feltmate said this in a letter she sent to the Leader of the Opposition: "Please help us. We need answers so that we can tell our children in future that we did everything to find out what happened to their fathers."

So I will ask the Prime Minister once and for all: Why do the Prime Minister and the Minister of Justice not table the missing pages today so that we can know the truth in this affair? Why?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, as I said yesterday, we sent the CANMET report six months ago. The Commission confirmed that we did that.

Furthermore, this morning, we received a letter confirming that there are not more than nine pages but only nine pages, so I hope that the member will apologize for everything he said.

* * *

[*English*]

PHARMACEUTICALS

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the acting minister of industry in the absence of the minister himself.

I want to return to the bitter pill of the closing of the Wyeth pharmaceutical plants in Windsor. In June 1992, speaking in support of Bill C-91 and speaking of the Canadian patented pharmaceutical industry, I am told the minister of industry said: "We will give the industry the incentive it needs to strengthen the Canadian base for international investment".

How does it strengthen the Canadian base of that industry to close the productive, efficient and profitable Wyeth plant in Windsor and instead of creating more jobs, to eliminate 129 jobs altogether and to transfer the remaining 90 out of the city? What sense does that make?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member knows, but of course is not willing to share with the House, the pharmaceutical research that has been conducted under Bill C-91 has produced hundreds of millions of dollars worth of research and jobs that ordinarily would not be there. That is because we have protected intellectual property in a way which encourages that investment.

• (1450)

In terms of this company in Windsor, I share my hon. friend's regret that the Windsor plant had to be closed. It is consolidating the operation in Montreal, making the company more competitive as a result. In addition, positions of the old Windsor plant have opened up which will be made available elsewhere for the employees.

What the company is trying to do is to become more competitive as it goes into the future so that it can expand further.

Hon. Herb Gray (Windsor West): Mr. Speaker, in 1987 employees at Wyeth in Windsor were asked by the company and the pharmaceutical manufacturers of Canada to write to senators to support Bill C-22 and to say in their letters: "My job is protected only if Bill C-22 passes".

Well, Bill C-22 passed, but the jobs in Windsor have not been protected. I ask the minister: Will the government intervene now to keep the Windsor employees of Wyeth working at their jobs in Windsor so that their lives will not be destroyed by this Conservative government's policies? Will he act now?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, what the hon. member forgets is that without Bill C-22 manufacturing establishments and research establishments like that would be falling like flies right across Canada.

Instead these firms generally are stronger. They are expanding. They are doing millions of dollars worth of research they ordinarily would not do. That is what the hon. member knows but will not share with the House.

I remind him that he fails to see the tremendous job creation that has occurred as a result of that bill.

An hon. member: They had to resign.

Mr. Hockin: Tell them to go to Montreal. Tell them to go to Toronto. Tell them to go to southern Ontario or somewhere else. What the hon. member has to remember is that to be competitive, we have to support intellectual property and encourage investment and this we have done.

* * *

[*Translation*]

DEFENCE INDUSTRY

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is directed to the Prime Minister. The Expro chemical manufacturing plant has been forced to lay off some 200 workers. Expro is the only explosives and propellant powder producer in Canada, and 90 per cent of its products are for the U.S. market.

Since 1987, defence industry activity has dropped 20 per cent and 8,600 jobs were lost; that is 22 per cent of the work force in that industry. The situation is likely to get worse as President Clinton has announced an $88 billion cut in the U.S. defence budget. On the other hand, President Clinton also announced a $19.6 billion industrial reconversion plan aimed mainly at promoting civilian uses of military technologies.

I ask the Prime Minister: Will he consider establishing such a fund in Canada to preserve jobs for one thing and also to draw upon high tech knowledge to boost the economy?

[*English*]

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, the Expro situation developed a number of years ago. We were able then to provide some funds in a working capital loan which maintained 550 jobs in modernizing the industry and putting it in a position where it could meet the environmental standards.

The industry, which generally has been going through some difficulty, has a fund of almost $200 million through the DIPP process in which it can modernize and change into a civilian type of work.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I know that the defence industry is slowing down because of the international state of affairs and that is a good thing. The fact remains, however, that there are still people working in that industry. I think President Clinton made the right decision in cutting the defence budget, but he had the foresight of creating at the same time an industrial reconversion fund to both prevent job losses and convert these military technologies to civilian uses for mankind instead of doing away with them.

I think it would be important, considering this is a major industry in Quebec, that the same kind of fund be created to prevent job losses and encourage profitable and long-term investments.

• (1455)

[*English*]

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, I thought I was quite clear the first time.

I said yes, there have been some military reductions in its budget. We do have in place the Defence Industry Productivity Program which has been changed in its focus

to help military industries transfer more of their work into the civilian mode.

I explained that in my first answer and it is the same answer now.

* * *

WESTRAY COAL MINE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Prime Minister. He recognizes our questions deal with the very important issue of public accountability and trust of members of the government.

We have a letter that was written by the commissioner of the inquiry last summer indicating that an order was submitted to the Minister of Justice requiring full disclosure of all information relating to the Westray tragedy.

Yesterday, the Minister of State for Small Businesses and Tourism acknowledged that not all information was given. There was still more to be given. We even have a letter again recognizing that not all the information was given. There was a gap of over 10 months in which an order was given and not fulfilled.

I come back to the simple question previously raised by my colleagues. Was this decision made solely by the Minister of Justice? Did the Prime Minister make the decision? Or was it the full cabinet that decided that the order of request submitted by the commissioner, Peter Richard, was not fulfilled by this government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I answered two of the hon. member's colleagues and perhaps I will repeat it to him.

He indicates that he has a letter. Am I right in concluding from what my hon. friend said in his prefatory remarks that this letter from the justice in Nova Scotia is seven or eight months old? Am I right?

Mr. Hockin: Almost a year old.

Mr. Mulroney: The conclusion that was being conveyed was that this was something new floating around.

Perhaps my hon. friend could begin by tabling that eight, nine or ten-month old letter on the floor of the House. Then we will look at it, examine it and see if there is anything inconsistent with what the justice said in respect of the government's obligations.

The government views this matter with extreme seriousness, as I am sure do all members of the House of Commons. There was loss of life involved.

There was the question of a judicial inquiry having been constituted by a duly elected provincial government to determine areas of responsibility. There has been involvement by the Royal Canadian Mounted Police in respect of possible prosecutions that might ensue. There has been the intervention of an appellate court in this matter holding in abeyance evidence that might have been adduced before this particular royal commission.

There has been a full and ongoing degree of co-operation by the Government of Canada, given those realities to which I have just referred. The Minister of Justice, as she then was, and all ministers of the government have co-operated fully. We will continue to do so with the justice, with commission counsel and with all appropriate officers of that commission.

If my hon. friend has something at variance with what I have just said I would be happy to listen to it, take a good look at it with him and make sure that the proper thing is done. So far, I can assure him that the co-operation of the Government of Canada has been full and complete. We want to continue to help that commission because we want the truth to come out.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, there was an editorial in *The Chronicle-Herald* this morning. Speaking about the matter of truth, I would like to quote it to the Prime Minister: "The truth is that Ottawa has not only embarrassed itself politically in this matter, it has also disgraced itself morally". That is from the newspaper that reflects the point of view of the people of Nova Scotia. That is an editorial of *The Chronicle-Herald*, a newspaper which this government quotes at length to support its position time after time.

The Prime Minister has not satisfied the question we asked. The letter I quoted from of last August indicates that an order was issued by the commissioner of the inquiry. It was an order to the Minister of Justice that all documents be provided.

We have had acknowledged in this House—

Mr. Speaker: Given the time, could the hon. member put his question, please.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I am responding directly to the inquiry and to the Prime Minister.

Why is it that the Government of Canada, by the Minister of Justice or the collective entity of the cabinet, did not provide all the documents as requested last August and is still holding out on those documents today?

• (1500)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend surely will acknowledge the inherent unfairness in the question that he has just asked. He has not tabled the document that is now some nine or ten months old. We have not been able to compare this document against the allegations that he has just made. He impugns the integrity of a minister of the Crown without any evidence.

Moreover, regarding the information to which he refers as having been withheld, there is an apology on the record from commission counsel saying that is not true.

I just want to tell my hon. friend, Mr. Speaker, he is right in two areas. First, it is of course a very serious matter and the *Chronicle-Herald* is a very serious newspaper. I do not dismiss any views on this casually and we are going to co-operate very fully with the commission of inquiry.

If my hon. friend has any specifics of any kind which suggest misfeasance or malfeasance or improper conduct of any kind by any minister of this government, I urge him to bring it forward with specifics on the floor of the House of Commons and I assure him in the interests of the 26 people who lost their lives I shall follow through swiftly.

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CANADA COUNCIL

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my question is for the Minister of Communications. Earlier this week Vanderhoof and Associates released a study which demonstrates that the cuts to the Canada Council will in fact increase the public debt. The study showed that the cuts will result in lost tax revenue and increased UI payments for a net loss to the Treasury.

Can the minister tell the House if this government conducted an economic and cultural assessment before announcing the cuts? If not, why not? Now that there is proof that these cuts in fact will actually result in an increased deficit, will the government restore the funding to the Canada Council?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, I thank the hon. member for his question. The department is looking very closely at the report in question. Certainly we will be glad to look at any of the recommendations that are made there. We want to put whatever money the taxpayers of Canada can afford to pay in support of the arts.

However, the hon. member takes the position that it is possible for Canadians to spend themselves rich. If we could do that we would not have had a situation where on the front page of the *Toronto Star* of March 2 there is a headline saying: "NDP premiers urge action to cut pressing debt load".

Mr. Barrett: You doubled the debt.

Mr. Beatty: Mr. Speaker, you cannot have it both ways. If you want to control the debt, you cannot spend yourself rich.

* * *

SPORTS ILLUSTRATED

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, the fact of the matter is this government doubled the debt. In its attempt to reduce the debt this study shows it has in fact increased the debt. That is the point of the study.

My supplementary is for the same minister. Today Time Warner Inc. will place on the news-stands the Canadian edition of *Sports Illustrated*. Time Warner is clearly circumventing Canadian customs and skimming scarce Canadian advertising dollars. It plans to publish six Canadians editions during the year, yet this government refuses to act until a task force reports at the end of the year.

Why will the government not show some backbone, seize the Canadian edition of *Sports Illustrated* and enforce the laws of the land?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, it is hard for me to see how that question was supplementary to the previous one, but I am glad to respond to it anyway.

Mr. Barrett: You figure it out.

Mr. Beatty: The hon. member says I should figure it out. Anybody looking at the two questions would have a hard time figuring it out.

In so far as *Sports Illustrated* is concerned, the policy of this government is to ensure that the letter of the law is followed fully. What we want to ensure is that the policy that was put in place in 1965 is respected. We have created the task force to look into this sort of issue. There is no requirement that the task force wait until the end of the year. Any time the task force is prepared to make an interim report or a final report, the government will be pleased to receive it.

Our goal is to ensure that the Canadian magazine industry is fully protected.

* * *

POINT OF ORDER

TABLING OF DOCUMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, before I ask the government House leader and actually question the business of the House for the remainder of today and tomorrow, I want to co-operate with all members of the House and table a document which I referred to in Question Period. I believe, Mr. Speaker, that there would be unanimous consent for me to do that.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: Agreed.

* * *

• (1505)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question to the government House leader is with regard to the House business for tomorrow.

The House will be adjourning for approximately two weeks for members to return to their constituencies to do their constituency work. I am wondering if the minister could indicate to the House the business for those first few days back keeping in mind that we meet on a regular basis on each Tuesday of the week.

Second, while the Minister of Finance is in the House could he indicate the date of the next budget so that members can prepare accordingly?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, this afternoon we will be continuing with Bill C-92, the income tax technical amendments. On Friday we hope to get complete passage of Bill C-114 as well as complete passage of Bill C-83, the transport of goods by water act, and Bill C-97, the marine insurance act. These two companion pieces of legislation were passed through the House concurrently at second reading. Hopefully we can do the same for report stage and third reading.

I do not believe there are any particular partisan differences on that.

On Monday, April 19, when we return after the two-week break, it is my intention to call Bill C-62, the telecommunications act.

In terms of business for the rest of that week, I will have to get back to the hon. House leader and other members of the House to arrange details.

In terms of the question of a budget, it will undoubtedly be soon after we get back.

Mr. Dingwall: Mr. Speaker, I am well aware of the rules of this House and I know the hon. member opposite is well aware of the rules as well.

On the basis of some degree of understanding so that proceedings in this House can move at more than a snail's pace, I think it would be in the interests of not only members of the House but also Canadians to know the date of the budget I am sure. As the minister can well understand, if we come back on Monday, April 19, to find out that the budget will be the following day or later that week, then I think members on this side would like to have notice in view of the fact that the government has attempted in the past to have a regular date for the setting of the budget.

If the minister does not have the answer immediately perhaps later this day or indeed tomorrow the House could be informed before adjourning for the Easter recess as to the date of the federal budget.

Mr. Andre: Mr. Speaker, I certainly recognize that with the House not sitting for the next couple of weeks hon. members will want to know whether they should spend their time studying up on budgetary matters and so on.

I heartily suggest that that is a good way to spend the Easter break. I can suggest a bibliography of materials to read that would be very helpful in that regard. Perhaps they could start with the economic statement of December 2, 1992.

In fact I think the preparation for the budget is primarily the preoccupation of the Minister of Finance and undoubtedly he will be very busy over the next two weeks preparing for that budget because I would expect to see a budget soon after we return on April 19. Of course we will try to be specific on the date at a time when we can be.

Mr. Karpoff: Mr. Speaker, on a point of order, during Statements by Members the member for Hamilton West indicated that on the third reading of Bill C-91 there were 22 New Democrats absent.

An examination of both—

The Acting Speaker (Mr. Paproski): I regret that is debate.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related acts, be read the third time and passed.

The Acting Speaker (Mr. Paproski): The hon. member for Bonavista—Trinity—Conception had 10 minutes of questions and comments.

The hon. member for Brant on a question or comment.

Mr. Blackburn (Brant): Mr. Speaker, I rise on a point of order. The Liberal member for Bonavista—Trinity—Conception had used up almost all of his time. That is why I was rising. It is to continue with debate, not questions.

• (1510)

The Acting Speaker (Mr. Paproski): Order please. Let me check with the Clerk.

The hon. member for Bonavista—Trinity—Conception had used up his time but the question and comment period has not started, so I am therefore going to ask for questions and comments one more time.

The hon. member for Western Arctic on a question or a comment.

Ms. Ethel Blondin-Andrew (Western Arctic): Mr. Speaker, thank you very much for the opportunity for me to make a comment.

It is highly appropriate in the discussion on this tax bill that we bring to mind the whole plight of the disabled and the income tax system. A report was done by the Standing Committee on Human Rights and the Status of Disabled Persons. It brings forward the issue of taxation and the disabled because disability involves costs. There were some very specific recommendations made.

The Department of Finance, for one, should become a full and active partner in the national strategy for the integration of persons with disabilities. In relation to the costs and the reintegration of disabled people into mainstream economy and society, there were a number of specific recommendations made. I would like to cite three very briefly and ask my hon. colleague to comment on them.

The changes to the tax system should reflect the following principles:

First, that taxes that people with disability pay should be reduced by measures that offset all their disability-related costs.

Second, the tax system should be used as a delivery mechanism for benefits to lower income individuals with a disability. This relates to income reform as well.

Third, the tax system should be used to remove or reduce the disincentives for disabled people to join the work force.

This is a fairly major issue and concern for people who are basically impacted on by the constraints produced by a person's disability. All programs have a social component, including the income tax system, and should be designed to alleviate the disadvantage experienced by people with disabilities in an equitable and fair manner. Bear in mind that these programs should enhance the independence and particularly the employment opportunities for disabled people.

I would like to ask my hon. colleague how he feels about the support there for these recommendations. This is highly appropriate because the Association for Community Living for the Disabled is meeting in Ottawa. I am sure that they have had contacts with many hon. members.

Mr. Mifflin: Mr. Speaker, I want to thank my hon. colleague from Western Arctic for that question. Indeed I want to thank her particularly for raising some of the positive aspects in this bill.

She and I have discussed this aspect in advance of her question and I am very much aware of the ongoing work and the work of the committee that had made the recommendations. I want to add that we may recall that I reflected on the nine or ten separate aspects of the items that are included in this bill. This is essentially a bill that includes numerous technical amendments and changes to the Income Tax Act.

It is regrettable that these very positive aspects such as the recommendations made in this report, many of which are incorporated in the bill, are overcome by some of the negative aspects of the bill with respect to essentially opening loopholes for the rich when it should be closing loopholes for Canada's most wealthy. The other somewhat inconsistent and I believe shameful aspect of the bill is that it does not permit the kind of privacy that we, in a Canadian society, would want for employees. These are the 20,000 members of the Public Service who are involved with Revenue Canada.

• (1515)

As a finale statement to this and on a personal note I want to tell the hon. member that for many years I have been a director of the Canadian Paraplegic Association and have worked with the community living movement which is a very important movement in my riding. That was the point that she made at the very beginning. It gives me great personal satisfaction to see that the disabled are considered in this bill. In my opinion I think the plight of the disabled is one of the most positive aspects of the bill. This is in response to the tremendous bootstrap work that they are doing in the Canadian Paraplegic Association and the Institute for the Blind, which has been in the public eye in the last few days, and other areas of community living. Again I would also say that I believe they are making great strides and this is another indication of that. Therefore I thank the hon. member for her question. I was pleased to be able to highlight that positive aspect of the bill.

Mr. Derek Blackburn (Brant): Mr. Speaker, I am pleased that I am able to enter third reading stage debate on Bill C-92. It is an omnibus bill. I am only going to confine my remarks though to one part of it, the part dealing with the extension of the capital gains exemption for principally the very rich and the very powerful families of this country.

I think it is an absolute disgrace for this government or indeed any government at this time. We are in the depths of a recession. Middle income earners have been overburdened with tax increases for the past several years. User fees are going up. Provincial taxes are going up. Deficits are ballooning out of sight. There are poor, hard-working, middle income earners. There are those households where incomes are around $40,000 to $50,000 a year if they are lucky and two persons are working in that family. Now this Conservative government has to bring in an amendment to the Income Tax Act that would further exempt family trusts for up to another 75 or 80 years.

The history to this family trust debacle in this country goes back to 1972 when the then Liberal government decided to bring to an end succession duties and estate taxes, particularly estate taxes at the federal level. In place of the estate taxes they introduced a system of taxes on capital gains which hitherto had gone untaxed. At that time of course that was looked upon as being unfair as well.

In place of the estate tax, and when they brought on the capital gains tax in 1972, the government of that day—I was here in the House of Commons at that time—brought in the 21-year rule which said that family trusts would have up to 21 years in order to prepare for a capital gains tax on their private family estates. Most of them, believe me, took advantage of it.

Contrary to the impression left by some Conservative speakers in this debate, this family trust is not your ordinary, run of the mill kind of legal and financial arrangement that your average taxi driver engages in or that your average nursing assistant has or that your average truck driver is able to afford. For one thing, to set up a family trust costs several thousands of dollars so automatically most ordinary taxpayers of middle-income status are unable to set up a family trust.

Second, most families in this country, the great majority of them, have no financial reason to set up a family trust. They simply do not have assets large enough to warrant that kind of expenditure or legal cost that is required to set up the family trust.

What we are really talking about here is primarily, not exclusively, the very rich in this country. We are talking, for example, about the K.C. Irvings, the Reichmanns, the Bronfmans, the Westons, the Thomsons, the Rogers and the Blacks. We are talking about very, very rich and powerful families that have been able to shelter or avoid paying capital gains on their family wealth for 21 years.

• (1520)

This government through Bill C-92 has decided to let them go for another, as I said earlier, 75 or 80 years. It now says that when the capital gain is sold, it will not be taxed until the last beneficiary dies. Today, if I was very rich and I left the whole family trust to a child just born this week, the chances of that child living to be 75 or 80 is very great in this modern age in which we live, so in effect the capital gain accumulating over the years on that family trust will go untaxed for another 75 or 80 years.

What kind of a message is this sending to the middle income earner, to the low income earner, to people out there who are trying to make ends meet?

Since 1984 this government has increased just federal taxes alone on average Canadians by about $3,000 a year. Because it has off-loaded much of its financial responsibilities and deficit on to the provinces by cutting back the rate of increase in transfers, the Canada Assistance Plan and other financial devices or mechanisms that it has established over the years by which it sends or transfers funds to the provinces, it will just cut back on the increase caused by inflation over the past few years. The provinces are now having to cut back very drastically.

We see it in the province of Newfoundland. We saw it just this week in the province of New Brunswick. In Saskatchewan, after eight years of profligate Conservative spending in that province, the NDP government has had to slash expenditures, cut back on programs, having to borrow more money and in a very dire deficit situation.

British Columbia is not as badly off, but there are also cutbacks there I understand. The province of Ontario I suppose is the best example of all. It came into office in September 1990 with a ready-made deficit of $5 billion. Because of declining revenues due to the recession that was setting in at that time and also the profligate spending again, this time not a Conservative government but a Liberal government under David Peterson, which presided over Queen's Park during the five richest years of Ontario's history, Ontario still managed to come up with a deficit of half a billion dollars in the treasury.

Because of all these changes and because today civil servants are threatened with their jobs or pay freezes or cutbacks in wages and private sector employees have lost their jobs to a great extent—there are 400,000 or 500,000 jobs that have gone down the tube as a result of restructuring and the free trade agreement—and companies are going bankrupt, because of all of these reasons, private sector and public sector employees are finding it extremely difficult to cope with taxation and increased user fees and the cutback on government services at all levels, federal, provincial and municipal.

We then have to contend with this kind of easy soft treatment that this Conservative government is now offering the richest 200 or 300 families in this country whose combined total assets are in the neighbourhood of about $70 billion. We are not talking about hundreds of thousands of families here. We are talking about, relatively speaking, a very small number of rich and powerful families in this country that can yet again defer capital gains tax on their family trusts for another 75, 80 or 85 years.

This is an intolerable situation. How can a government on the one hand talk about restraint and cutting back on government expenditures and on the other hand increase taxes to ordinary Canadians and then let the very rich and the very powerful off the tax hook as far as their family trusts are concerned?

It just does not make any sense. Worse than that, it sends a signal to ordinary Canadians that this government does not care a darn about equity and fairness in the tax system, but will continue to protect those few rich families in this country who, probably without exception, support the Conservative Party either directly through funding or certainly at the ballot box.

• (1525)

Many, many people have made comments about the unfairness of Bill C-92 as it affects family trusts. It is not just members of the New Democratic Party who are opposed to it, it is not just labour, it is not just anti-poverty groups, but many professional institutions and professional people have also made comments. For example, Sidney Goldstein of Goldstein and Goldstein in Ottawa, who is a tax lawyer and consultant, says and I quote: "There is no question that it"—that is Bill C-92—"represents a massive windfall for existing trusts".

Why would a person with his knowledge and with his experience—he is not only a lawyer but he is also a tax consultant and tax expert—make a statement like that if it were not true? I doubt very much that he is a supporter of the New Democratic Party.

It is not just us here on this side of the House who are condemning this as an unfair and inequitable approach to an over-all fair taxation system that we are desperately trying to bring in in this country.

Kathryn Bush of Blake, Cassels & Graydon had this to say and I quote: "A cynical person might suggest that pressure from influential political supporters also should be listed as a reason for the draft legislation". This is when she was commenting on the original legislation when it was first drafted. It has not changed in respect of family trusts since then.

Neil Brooks, associate dean of Osgoode Hall Law School, said and I quote: "The government has given Canada's wealthiest families notice that it intends to give them a gift worth several billions of dollars".

These are knowledgeable people, an associate dean of Osgoode Hall Law School in Toronto and members of the financial community whom I have just quoted, who are putting it on the line and saying this is what the bill is all about. To paraphrase what they are saying is to say that this is a gift, a handout to the very rich people in this country. At the same time this government purports to have a deep sympathy for the hard working middle income earner who pays the bills, abides by the law and tries to look after his family. That is a mythology.

I just read a book by an American Republican, Kevin Phillips, a political analyst, called *Boiling Point*. It is a book which I suggest every Conservative should read. In that book he explains how Governor Clinton of Arkansas was able to overthrow President George Bush in the presidential elections of last November.

In that book he describes how Bush's predecessor, Ronald Reagan, the great communicator, was able through his eight years, two administrations, from 1981 to 1988 to constantly remind the hard-working middle income earner in the United States, the industrial worker, the truck driver, the taxi cab owner and operator and so on that the reason their taxes were going up was because those profligate states and those profligate welfare agencies and those profligate municipal governments all over the United States were spending more and more of their hard earned tax dollars to pay the welfare rolls for the lazy who would not work. As long as Ronald Reagan could keep the hard working middle-income earner convinced that that was why his taxes were going up and he was continuing to slide from middle class into poverty in many cases, the industrial middle class continued to support Reagan as they had done probably for the first time in the presidential elections of 1980.

When fumbling George Bush came along and discovered all of a sudden that he could not communicate quite as well as his mentor Ronald Reagan, the situation began to change and Governor Clinton and his brain trust who helped him run his campaign brought in a whole new set of statistics and figures and facts.

• (1530)

To make a long story short, they were able to show through those two successive income tax reform regimes under Ronald Reagan and George Bush that it was not the low income or welfare recipients who were causing the middle class to have to pay higher taxes and user fees at the federal, state and municipal levels. Rather it was because the Republicans had actually lowered the effective taxes that the very rich in the United States had to pay. Therefore he was able to cast the eyes of the middle

class away from the poor and the helpless upward to the very rich and the powerful.

That sealed George Bush's doom. The middle class went back to the Democratic Party convinced it was not the poor who were dragging them into poverty but the fact that the rich were in a privileged tax position in the United States and they were not paying their fair share.

We can use the identical argument in this country because that is precisely what has been happening in Canada since this Conservative government, like its Republican cousins in the United States, took power.

If we look at the national debt in this country, we find that 50 per cent of that national debt increases as the result of compounded interest. Forty-four per cent of that debt is caused by tax avoidance. That is a legal term I know and I do not mean it in a legal sense. They are not doing things that are illegal, but the very rich families in this country at the personal income tax level and the very rich corporations all through the 1980s, and I am not talking about the recession years of 1991-92, I am talking about all through the 1980s, were not paying their fair share of taxes. Statistics Canada figures will show that 44 per cent of the national debt of this country came about as a result of those loopholes, shelters or deferments, whatever we want to call them. They did not pay their fair share. They did not carry their weight. Therefore, Conservative government after Conservative government in the United States and Canada off-loaded that unfairness on to the backs of the struggling and hard working middle-income earners.

That is why their taxes are going up in this country and have gone up over $3,000 a year since the Conservatives came into office. Only 6 per cent of the national debt is the result of government program expenditures. Of that less than 3 per cent is on social programs.

To listen to some of our Conservative friends and even some of our Liberal friends, one would think that all this massive government spending and overspending is the result of things like medicare, transfer payments through the Canada Assistance Plan to help the poor, those who are unemployed, the UI fund and all the rest.

The trouble is this government has been reading too many articles about Preston Manning and has probably even read his book. That is one of the major problems. If we look at the real facts and the real figures, we find that the debt in this country has accumulated because of compounded interest and unfair taxes that allow the rich corporations and rich individuals not to pay their fair share of the tax burden.

The situation in Canada is exactly the same as it was in the United States. That is why we on this side of the House look forward to the next election, knowing that the people of Canada are going to do the same thing that the people of the United States did. The middle-income earner is fed up with taxes. He is fed up with the increase in user fees. He is fed up having to pay out to governments at all levels every time he gets his pay cheque. Now he is being informed by many of us and other people in the country that the reason for this is not because his tax dollars are being wasted on the poor, but because there is unfair taxation in this country. If the rich individuals and rich profitable corporations were paying their fair share of taxes, he would not be paying nearly as high taxes.

This is the problem we have today. It is being exacerbated by this government through Bill C-92, where once again the family trusts are allowed to continue for as I said earlier another 70, 75, or 80 years or even more.

It was pointed out earlier today by one of the Conservative speakers in this debate that those trusts do pay income taxes on what they earn year after year.

• (1535)

Nobody disputed that. Nobody ever said they did not. This is the irony of it. They are not paying a tax on the accumulated trust, the value of the trust. Each year as that trust makes money there is income tax paid. They can still shelter that money. They have very rich lawyers, they have very expensive tax preparers that really understand the tax act.

Let us say a family trust generated $100,000. They may be able to shelter $50,000 of that through real estate, RRSPs and of course political donations. There are all kinds of ways this can be done so there is still unfairness built into the system.

I see that my time is up. I hope that this government will come to its senses if it wants to survive the next election. More important than the political aspect of it, it is about time the Conservative government came clean with the taxpayers of this country and brought in real tax reform that would create a tax fairness in the system that everybody could accept. Then we would understand that there is a need to tackle the deficit if the burden fell fairly and equitably on all of us, not just some.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I wish to comment on Bill C-92, a bill to amend the Income Tax Act.

By reading this bill I have discovered on pages 247 and 248 that from now on any person can get taxpayer information if it is for the reason of supervising or evaluating or disciplining any personnel in the Public Service that work either at Revenue Canada to implement this act or works at Canada Pension Plan or works with the unemployment insurance.

I find it absolutely abominable that this is added, especially in the same year that the government passed a law to change the Public Service Act and also took great pride in talking about Public Service 2000.

I have received copies of the 1991 and 1992 guides to income tax. The 1991 guide talks about privacy and confidentiality. It states to the person filling in his or her income tax: "In addition to other constitutional and legal rights, you have a special right that personal and financial information provided to National Revenue Taxation will be used only for the purpose allowed by law".

In this year's 1992 guide, again it has a declaration of taxpayer rights. Under privacy and confidentiality I see that the restriction is stronger and words have been changed. I would like to read the wording: "You are entitled to expect that we will use the personal and financial information provided us only for the purpose the law allows".

It would be very interesting to get a legal interpretation of both of these comments that are given to people who fill in their income tax. It is very interesting that all of a sudden after passing this law today, it would be as the government says and has been saying "let the managers manage".

As you are aware, Mr. Speaker, this year in the new public service law we now know that managers can discipline, can transfer their employees, can promote their employees and their recourse is about nil if there is any recourse at all. Now we see that these same managers in either supervising, evaluating or disciplining their staff at either Revenue Canada, Canada Pension Plan or at the Unemployment Insurance Commission, will now be able to call in the income tax returns of their employees to see how they filled in their returns, to find out if they gave to one party or another, if they gave to one lodge or that association. I wonder what the interpretations will be. I find that we are going more and more into a dictatorship.

• (1540)

The Acting Speaker (Mr. Paproski): I do not know whether there was a question there.

Mr. Bellemare: It was just a comment.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to start by saying there are some aspects of Bill C-92 that meet the test I have always used toward tax reform.

Specifically, when I test a particular tax measure I first of all ask, is it fair? Is it efficient? Is it simple? Most important these days, I ask: Is it a tax measure that will assist in putting people back to work?

I believe the sections in the bill that deal with the reinstitution of the Small Business Development Bond Program is a good part of the bill.

I believe the section in the bill that talks about the introduction of the home buyers plan which allows individuals to use up to $20,000 of RRSP funds to purchase a home before March 2, 1993 is a good part of the bill.

I know in my own community there were many real estate agents who told me when that aspect of the bill was announced it spurred a lot of activity in the real estate field, especially for young people. That part of the bill I support.

I also support the measure to assist Canadians with disabilities. Those are aspects of this bill that had the government lumped them together and put it through the House, it would have been a much different debate. Because other components were woven into this bill like the family trust and the amendment that allows the public servants to have their tax returns reviewed, how could we possibly stand up here and support this bill?

How could we possibly go home to our constituents and say: Oh yes, we supported a further extension of the unaccountable, unknown amounts in the family trusts that have not been looked at for 21 years. We now want that renewed for an indefinite period of time.

This is the problem I have with the government. It comes forward in a way in which it is preoccupied with its tactics, preoccupied with creating illusion but the reality is quite a bit different.

I listened earlier to the member for Ontario. He kept repeating during his remarks: "This bill is designed to put people back to work. This bill is designed to improve this aspect of the Income Tax Act." This word "design" seems to be the buzz word in the Conservative government. It has been using it for many years. The problem the government has is that the average Canadian knows there is a long way between the design and the reality.

• (1545)

I think specifically about the GST which really has represented the cornerstone piece of design work for the government. The GST was supposed to be a better tax, a more efficient tax. We now know as a result of the public accounts committee two weeks ago that the GST has been the most poorly designed tax that has ever been perpetrated on a nation.

I am going to be very specific to show in my remarks and to repeat to some government members what the Deputy Minister of Revenue informed us of last week in committee. The Deputy Minister gave us information last week. The facts are that the gross GST income last year was approximately $30 billion. After we subtract the cost of the low income tax credits and the cost of operation of the GST we are left with a gross net GST, not net net, but a gross net GST of approximately $15 billion.

My leader has stated repeatedly that we, the Liberal Party of Canada, are going to scrap or replace or remove, whatever word you want to use, Mr. Speaker—scrap means we are just going to get rid of it—the GST, the line comes out from the—

Mr. Thompson: A point of order, Mr. Speaker, you might question whether this is a legitimate point of order, but when speaking of the GST and scrapping or replacing, could the hon. member explain the difference between those two terms.

The Acting Speaker (Mr. Paproski): The hon. member may have that opportunity after the hon. member finishes his debate.

Mr. Mills: Mr. Speaker, I am happy to clarify that. I was trying to make a point that there are many different words coming from different quarters, but scrap to me means abolish. It is going to be removed.

The line that comes out of the government side is: "Where are you going to get the $15 billion?" The government has created the illusion that there is between $15 billion and $16 billion after the credits, et cetera.

Mrs. Sparrow: Right, $15.2 billion.

Mr. Mills: Right, the hon. member for Calgary Southwest said $15.2 billion. I asked the Deputy Minister of National Revenue last week in the public accounts committee if the department has ever done a cost benefit analysis on the GST by sector and the answer was, no, it had not done a cost benefit analysis. He did admit that there was in fact a cost to the registrants.

I did a little bit of sampling and I would challenge any members on the other side to check my numbers. We have about two million registrants according to the Department of National Revenue. Most registrants will say that the cost of administration in their small business or big business, whatever it is, is approximately $3,000 a year. Most people do not argue with that. There are many small businesses that will say the cost is much higher because they prepay the GST sometimes when their receivables have not come in, and that puts stress on their cash flow.

• (1550)

There are many who argue that it would be much more than that, but the bottom line is that from that $15 billion we have to deduct the cost to the registrants. There is about a $6 billion cost to the businesses, or registrants, in Canada.

On top of that, there is not a person in this House of Commons who will argue against the assertion that the GST has exacerbated the underground economy in this country. In 1985 the then minister of revenue estimated that the underground economy then, which was before

the GST, was around $45 billion and the cost to the Treasury on that $45 billion was approximately $9 billion.

A lot of people today guestimate that the underground economy exacerbated because of the GST is probably in the area of $15 billion to $20 billion.

Mrs. Sparrow: But that's hypothetical. How do you know that?

Mr. Mills: It is not hypothetical if it is happening, and we all know it is happening. There is not a member in this House of Commons who will stand up here and say there is no underground economy because of the GST.

The bottom line is—

Mrs. Browes: Get to the facts.

The Acting Speaker (Mr. Paproski): Order, please. There will be an opportunity for questions and comments. Please allow the hon. member to finish his debate and then we will get into questions and comments.

Mr. Mills: I appreciate that, Mr. Speaker. The members say I should give facts.

The point I am trying to make is that the government very rarely deals with the facts. It has been creating this illusion, this mythology with Canadians for the past nine years. If there is one thing we must do now, and we have to work with facts, and this came out of the public accounts committee, well the facts are that there is no cost benefit analysis. It has not even completed a cost benefit analysis within the department.

If we do a complete cost benefit analysis on the GST we are just dealing with the $15.2 billion, less the cost for registration, less the cost for the underground economy. We cannot even calculate the lost business confidence. There is absolutely no cost known to the tourism sector in this country yet tourism operators say the GST has cost their business.

Executives of the T. Eaton Company of Canada estimate that the GST has cost the retail business in Canada, clothing, refrigerators, stoves, et cetera, close to $10 billion. For food service and hospitality the number is incalculable. The point is that the GST is a net loser. There is no way anyone can prove to me there is anything on the plus side as a result of the GST.

My point is that this government says it designed this tax to achieve a better environment, a better competitive environment, a better environment for a whole litany of things. The bottom line is that the design of this tax has had no real benefit to any sector of our economy.

I would submit—

Mrs. Browes: How about exports?

Mr. Mills: I am going to respond. I knew the government would mention exports.

I would submit that our exports, and we must remember that the manufacturers' sales tax was not really applied to exports, are booming right now because of our lower cost of production and our lower dollar.

• (1555)

There is not an economist in Canada who will refute this. In 1987 exports were in fact higher than they are now.

Here is the point that I am trying to make. There is a long way between the design and the reality. I am shocked when Conservative members refute that statement because they talk to the same people that I talk to when they go home.

I cannot believe that their constituents are telling them that they love that design of the GST or the fact that the government is going to allow these trust funds, that are estimated to be worth anywhere from $15 billion to $50 billion, to go on for another unlimited period of time.

I cannot believe that their constituents love the fact that the government, ignoring what the parliamentary committee said in terms of how to treat income tax forms, is going to ram through a bill in which the management of not only Revenue Canada but also aspects of Health and Welfare Canada and Employment and Immigration can look at employees' tax returns.

If Conservative members' constituents are telling them that they like that kind of tax design then my constituents are totally different because they think it is unfair. The first point I tried to make was: Does it meet the test of creating new jobs?

I started off my remarks by citing certain aspects of this bill that I think will create jobs. However, there is no way anyone can convince me that by throwing the family trust section into this omnibus bill and rationalizing that extended untouched, unaccountable, and unknown amount in the family trust portion of the act, it should go on without any accountability. I defy anyone to prove to me how that will create more jobs.

Illusion and reality, myth and reality, design and reality, are different things. My community, and I believe every community across the country, has reached the boiling point, as the member from the New Democratic Party said earlier. He talked about the Canadian public's boiling point.

The Conservatives have had as their leader for the last nine years one of the best communicators as a Prime Minister that this country has seen for a long time. The problem is that he is no longer there to communicate, to schmooze and do all the things that he did so well in terms of the big sell. It is over.

People now realize that there is a distance between the design and the reality. The next election, which is only four or five months away, will certainly prove the point that if they are going to put forward a tax measure that does not meet the tests of fairness, efficiency and putting people back to work they are going to be blown out of the water.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, the member just gave a wide-ranging speech. I will have no problem questioning or attacking certain parts of it.

Much of what he says flies right in the face of reality. He is talking about the GST, the hatred of the tax and the complications of the tax, et cetera. Let us accept that part of the argument.

What I cannot accept is that it is dragging down the Canadian economy, as he has implied. In fact it is doing just the opposite.

• (1600)

I have an article from *The Globe and Mail* on March 23 of this year, headlined: "Retail sales continue to climb in January". It lists the numbers, and they are very impressive. The Canadian economy is moving out of the recession, and some of that is showing up at the retail sales level.

I will quote one paragraph from this article. It states:

> On a year over year basis, January retail sales were up 5.6 per cent. Drug stores reported a 13 per cent sales increase to lead the pack—

—et cetera. Retail sales are moving forward.

In terms of the GST, because this is something that the member's party does not understand although I will admit that he understands economic policy better than his own leader does, there is a very real connection, as the member for Calgary Southwest tried to point out, between the GST and our export capacity.

I have another article in my hand that points out that our exports are at an all-time high. That is related to the dropping of that old manufacturers' sales tax which discriminated against our own manufacturing in terms of exporting out of the country.

The headline on March 19 of *The Globe and Mail* reads: "Trade surplus biggest since 1985". It lists the numbers, and they are very impressive. I might note that 1985 was just one year after we took power after successive years of Liberal mismanagement in the country. We had some big numbers to match, and match them we did. The numbers speak for themselves.

If the hon. member is going to get up in a rambling sense and cover as much territory as he normally does in debate he has to stick to the facts. They speak very well for this government in terms of economic management.

Earlier in the day one of his members from Newfoundland got up and talked about the national debt. I am not going to accuse the member of this one because he is smart enough to know that we do have a problem. I think he buys in to some of the things we are trying to do on this side of the House, but his party certainly does not. He is one of the few on that side of the House who understands what we have to do and do what we are doing.

I would be interested in listening to the member's response. I do hope that he is very specific when he mentions these numbers because the numbers are very much on our side.

Mr. Mills: Mr. Speaker, I want to begin by responding to the last part of the member's question relating to the national debt.

Mr. Thompson: The member's understanding of the economy would be a better point.

Mr. Mills: I think we should deal with the national debt. I want to make the point about how the government has managed to spin or create this illusion that it is a better fiscal manager.

The reality is that in the last nine years in the government's effort to ratchet inflation to almost zero it has put so many people on unemployment. Does the government realize how much money it has had to pay out because of the damage it has caused in terms of unemployment? Does the government think that Canadians realize that as a result of its economic policy it has spent on disbursements, between welfare and UI, close to $170 billion? That is money the government has paid out for people to be in unproductive roles. It has spent almost 40 per cent of the national debt to pay people who it has basically put out of work because of its obsession with an idea called zero inflation. Most economists are now admitting there has never been a precedent anywhere in the world that it really works to go that hard on inflation.

• (1605)

I want to talk about the difference between Conservatives and Liberals when it comes to debt management. We are not perfect and there is absolutely no doubt that we would have incurred a lot of the same debt. However, the difference between Liberals and Conservatives is the fact that we, when times are tough, have programs.

Conservatives talk about program spending being reduced to surplus in their operation of government, but at the end of $170 billion that they paid for welfare payments and UI, what is there to show for it? There are 3.2 million people who have lost their dignity.

We at least would have roads, sewers, bridges, airports. We would put money into high-tech industries. We would put money into training. Then at the end when we came out of the recession we would have a serious asset.

Aside from this poorly designed, ill-timed GST—and most members know about that and I am not going to belabour the point on the GST—the real legacy of this government—and it is certainly not traditional Tory thinking, I do not know how they got trapped into this plan—is that in its first five years the government incurred $50 billion worth of personal tax increases. On top of that, over nine years the government spent $170 billion, 40 per cent of the national debt, on disbursements to people on welfare and unemployment insurance, all in the name of zero-zero inflation.

I have said in this House many times that we must focus and keep inflation in order, but not to overkill to the point where there are so many people out of work and the level of confidence in this country shrinks the GNP. I cannot believe that there are not members over there who feel guilty about the fact that the government has spent $170 billion paying people not to work. Would they not feel much better having roads, bridges and airports?

Four months from now the people will decide which party has a track record of putting people back to work. I am pretty confident that our track record stands on its own.

The Acting Speaker (Mr. Paproski): I regret questions and comments are now terminated. On a point of order, the hon. member for Her Majesty's Loyal Opposition.

Mr. Dingwall: Mr. Speaker, on a point of order, there might be unanimous consent in the House to allow me to ask a question of my colleague. I just wonder if there would be.

An hon. member: No.

The Acting Speaker (Mr. Paproski): Debate. The hon. member for Carleton—Charlotte.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I will allow the member to ask me a question when I am finished with my remarks. I hope he stays around and takes part in the debate.

Again, there is a great difference between those parties over there and this party. There is no question about that. That is part of what we are talking about today when we speak of Bill C-92.

I cannot go any further without commenting again on what has been said on the other side of the House, particularly from members of the Liberal Party in terms of what they would do versus what we are doing. They left the country a burden of debt, as most of them will admit to, that put us in a very difficult position when we took the reins of government in 1984. In fact the record will show that many of the front bench members of the former Liberal government in 1984 bragged that they did indeed leave the cupboard bare. They left us with a mountain of debt, as some call it.

• (1610)

The mechanics of that debt, and just the sheer numbers of that equation, made it very difficult for the government at the time and it still does, but what is the sense in going through those numbers, which we do constantly in this House in terms of what was happening then and what is happening now. The fact is it is now 1993. We have to deal with 1993 and the future. If we want to continually go back and dig up what the Liberals did versus what we are doing, well I think it is pushing the argument in a direction which will not do any of us any good.

There is no magic on this side of the House when you take office and have the responsibility of forming a government and doing what is right for the country. I want to point that out because it is important that we focus on what is happening today in the various provinces, what they are doing in terms of taxation and reducing their debt load. We are always being blamed. I guess it is the role of the opposition to blame us for everything that happens, whether it is good or bad. Obviously however, the opposition does not credit us with having done a whole lot of good.

I want to point out what happened in the province of New Brunswick yesterday. It brought down a budget yesterday. I want to point out the difficulty of having the responsibility of forming the national government and the difficulties of working with the provinces to do the right thing.

One of the things we have done in this House is we have reduced income tax. I am talking specifically about the surtax which has been reduced from 5 per cent down to 3 per cent. It is part and parcel of Bill C-92, the bill on which we are speaking today. Average Canadians are going to be paying less tax because we have reduced the surtax from 5 per cent to 3 per cent.

I will step through the numbers and what this means to an average family, but do not let me forget to remind everyone that what the province of New Brunswick did yesterday basically flies in the face of what we are trying to do.

Bill C-92 reduces income taxes for 14.6 million Canadian taxpayers. The legislation we are debating now will confirm the one point reduction in that surtax which came into effect on July 1, 1992. There also of course was a one point reduction on January 1 of this year. Therefore, in the last two years this government has reduced the personal income tax.

Yesterday the province of New Brunswick flew completely in the face of that. It was announced in its budget yesterday in Fredericton. The provincial income tax rate now rises to 62 per cent from 60 per cent of the basic federal tax and it will go up another two percentage points next January to 64 per cent. That is the second highest rate in Canada. I am not talking about the rate itself, although it is high enough and it is too high. I know that in all honesty one could argue that our rate of personal tax is too high as well and I guess most of us in this House, all politics aside, would agree with that.

However, what is happening here is that we have given a tax break to the citizens of Canada, only to have the provinces come in on this side to take it away. It simply neutralizes any tax break that the citizens back home in our respective provinces have received at the hands of the federal government.

• (1615)

The province of New Brunswick is not the only province to have done that. It is being done from one end of this country to the other. We can argue here until we are blue in the face as to why they are doing it. We understand fiscal responsibility. Believe me, we do. We have had to bite the bullet on many tax issues as well. Some of them have cost us dearly in terms of public support. That is something politicians are obviously aware of.

The difficulty today in our system of government is that there is no co-ordination between us and the provinces in some of these tax matters. Therefore, what you give with one hand, they take away with the other. Does that really have anything to do with politics or political parties as such? I suppose it does. I can lay it clearly at the feet of the Liberal government in the province of New Brunswick.

The NDP is doing it as well in Saskatchewan, in Ontario and in British Columbia. When those NDP members get on their feet in this House they completely remove themselves from those premiers and governments back home. That is because they are doing the very thing that they have supposedly railed against for years and years in this House.

I bring that to everyone's attention because it is happening regularly out there. What do we do about it? I guess what we do about it is bring the premiers together with the Prime Minister, the federal finance minister and all the provincial finance ministers, sit them down and sort some of this nonsense out. It is not the first time that we have given a break only to have it taken away from Canadians by another branch of government.

I will mention what that reduction in the surtax would save the average Canadian family. In 1993 it would save a single taxpayer earning $30,000 approximately $76 in tax. It would be a $162 reduction for a one-income couple with two children with earnings of $50,000. Those are not insignificant numbers. We have to be conscious of them because there is a limit to how much we can tax.

The members on the other side of the House are famous for attacking us. The member for Broadview—Greenwood and I were engaged in debate a few minutes ago on the GST. The devil that the GST is and the difficulty it has created for us politically in terms of having to bite that very tough bullet, the problem when it gets to the floor of the House of Commons is that members on that side of the House do not want to tell us what they would do to replace it, scrap it or whatever word they want to use.

The Liberal Party at this very moment has an internal document which to my knowledge has never been made public. That document discusses the various mechanisms or tax machines the Liberal Party would put into play if it did replace the GST. I think everyone will find this quite fascinating. I know it has been spoken of in this House before. One of those is called the BTT. It is the business transfer tax. The interesting thing about this tax is that it is like the GST, but it means that every single item in the economy is taxed, including groceries.

Those members talked about it privately but they do not want to talk about it publicly. They want to play that cute little game they continually play running up into an election. Mr. Speaker, you have a good memory, particularly a good political memory. Do you remember the last two times a Liberal Party formed the government? When was it? In 1974, they formed the government. They ran through a five-year mandate and then in 1979, they went back to the people. They lost that 1979 election.

• (1620)

Mr. Bellemare: For six months.

Mr. Thompson: That is right. They were out of power for six months and I am glad the member reminded me.

Mrs. Sparrow: Nine months.

Mr. Thompson: Nine months, okay, give or take three months, what is the difference. The reason I mention that is because it is a strange coincidence but we are leading into an election. The last two elections that the Liberal Party won, as I mentioned, were in 1974, they lost in 1979 and nine months later, they were back in 1980. They won those elections on misinformation, if you wish, the big lie.

In 1974, the reason they won is that they disagreed with us, the Conservative Party, when we suggested price and wage controls. They said no, they would not campaign on price and wage controls and they did not. They campaigned against us because we suggested price and wage controls. Lo and behold, they won the election.

Remember what happened then? Six months later that famous line; "zap, you are frozen", came into play, it came into being. They did exactly what they said they would not do.

They went back to their same old tricks in 1980. It is another election. That election was on an 18 cents per gallon tax that the present Minister of Fisheries and Oceans brought in wearing mukluks. Remember that one?

Mrs. Sparrow: On gasoline.

Mr. Thompson: On gasoline, right. We were going to address the debt problem. We were going to address the deficit problem. We were going to do it via an 18 cents per gallon tax on gasoline. We had a plan whereby if we implemented that tax plan, we would wipe clean our debt totally within four to five years.

It was a plan that most economist bought into, but it was a tough one because we were telling the Canadian people exactly what they did not want to hear, they were going to be taxed.

When the Clark government fell that winter evening of 1979, it fell precisely because the folks on the other side of the room, that is the combined opposition, could smell success or failure or defeat of this government because we were a minority government.

Back out on the campaign trail in 1980 they fought against that 18 cents per gallon tax and said: "The Liberal Party would never do it. We would never tax gasoline at 18 cents a gallon". We took the crack and said that it is short-term pain for long-term gain. That was the line we used.

We were not successful with that line because none of us wanted to inflict apparently short-term pain on ourselves for long-term gain. We did not see any need for it. Most Canadians quickly did the calculation. Mr. Speaker, if you buy 20 gallons of gasoline, that is $3.60, and $3.60 was a lot more in 1980 than it is today. Believe me, you know that and I know that.

This goes right back to what I was suggesting before and that is what we are debating in this House, reality versus fantasy. We were rejected because we were telling the Canadian people the truth. The fact is the Liberal government raised the price of gasoline within two and one-half years by $1 a gallon. It was $1 a gallon, not 18 cents a gallon.

• (1625)

After taking office in 1980 it went on a spending spree the likes of which we have never seen in Ottawa. It created the very problems that we are saddled with today. We had increases in government spending between 1980 and 1984 of 16 per cent and 17 per cent per year consecutively. When the Liberals left office the percentage of debt that they had collected or accumulated was approaching 10 per cent of our gross domestic product.

They were spending $1.31 on programs for every dollar in tax they took in. How long can a government sustain itself at that kind of a spending clip? A government cannot sustain itself spending in such a horrendous way. It was a wanton disregard of the taxpayer.

When we took office in 1984 that is what was over our heads, a huge accumulated debt of $210 billion, a debt that was piled up over the years.

On the other side, they gave us an annual deficit, that is the amount of money that the federal government was overspending on a yearly basis, of $34 billion.

Some hon. members: Thirty-eight billion dollars.

Mrs. Sparrow: It is $38 billion.

Mr. Thompson: Excuse me, $38 billion. I am off by $4 billion. Thank you, Bobbie. We were left with a structural deficit and a mountain of accumulated debt.

The line they used in 1984 when we took office was they left the cupboard bare. They left us in a position from which it would be very hard to operate the reins of government efficiently. They really did leave the cupboard bare.

What did that first government do at that time? I call it a structural deficit because some of the programs and some of the things the government bought into we simply could not cut off the tap overnight and shut them off. Those spending ways followed us for the first couple of years of our mandate after forming the government in 1984.

They are up to the same sort of tricks today in 1993, a decade away from 1983, the year the present Prime Minister took over the leadership of this party and only nine years ago after he became Prime Minister.

Despite the difficulties we inherited as a government in 1984 we have made remarkable progress. I mentioned the level of debt in relation to our gross domestic product being in the order of approaching 10 per cent. We cut that in two. As the Canadian economy has continued to grow over the years we have cut that percentage down. We cut it exactly in two.

Some of the measures we are talking about over the years in the various budgets that we have brought in as a government have been intended to do that very thing, not only bring down the level of debt but encourage investment. That is what Bill C-92 will do.

We had some members on this side of the House over the last number of days stand up and explain in detail some of the aspects of this bill, particularly in regard to trusts and the closing of loopholes in regard to taxation of big corporations, et cetera.

We have done what we have had to do. I feel quite confident that Bill C-92 if passed by this House will lead

us down the road in the direction that we believe that Canada has to be taken. Canada needs a full economy, a productive economy while we continue to make the tough choices, to do the tough things that are necessary to achieve that.

I will leave it at that. I look forward to questions and comments from the members across the room.

• (1630)

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I found the speech by the member for Carleton—Charlotte rather interesting when he was trying to explain to us what good managers the Conservatives have been since 1984.

I would like to do two things. First, I wish to make a comment to clarify some figures and pose two short questions.

In the last full year of the federal sales tax, that is 1989–90, the gross take was $18 billion and the net was $17 billion. In the first full year of the GST the gross collection in 1991–92 was $30 billion and the net was $15 billion, less half a billion dollars for administration and collection, which brings it down to $14.5 billion.

Mrs. Sparrow: That's not true. Come on, Eugene, get your figures straight.

Mr. Bellemare: I have been challenged from across the way to give my source. I have just come from meetings in the public accounts committee where we had the Revenue Canada Deputy Minister and his team show up. These are the answers I was provided with. I took care to write my questions down to get written answers and these are the bottom lines that I received from the last meeting.

In other words, when the government had the federal sales tax, for every dollar it collected in 1989–90 it kept 95 cents. In 1991–92 for every dollar it collected it kept less than 49 cents. Is that good management?

My two short questions for the member for Carleton—Charlotte are these. Why did the finance department get rid of the cost benefit analysis committee just about a year ago? My second question is, what was the national debt in 1984 and what is it today in 1993?

Mr. Thompson: Mr. Speaker, I will tell the hon. member exactly what the debt was in 1984, as I did in my opening remarks and I will tell you what it is today. I will not disguise the figure. Back in 1984 the debt was $210 billion when we assumed office.

Mr. Bellemare: One hundred and sixty.

Mrs. Sparrow: That is not true.

Mr. Thompson: The figure is $210 billion. We can argue whether it is that or something else, but that is the figure that I am using and it is accurate. The debt today is in the vicinity of $450 billion.

Members opposite take great delight in those numbers because they simply point at that number and say: "It went from 210 to 450, so therefore it is your fault". What they do not consider is the fact that they could not pay the groceries back in 1984. What they were running back in 1984, we mentioned the figure and the member for Calgary Southwest corrected me on it, that they had an annual deficit when we took office of $38 billion.

It means that they could not even pay interest on their debt because they were overspending to such a high degree. In other words, they could not pay down the debt because they were running a $38 billion deficiency yearly.

Since then the overspending on an annual basis which we are still caught up in has allowed compound interest on that debt to simply escalate the debt from $210 billion to $450. Every single nickel of the debt today is simply interest on the debt. It is not because of government overspending.

The thing we can take a great deal of pride in on this side of the House is that last year we had a $5 billion surplus in our operating account. That was during a recessionary year. The year before we had a surplus of over $12 billion in the operating account.

• (1635)

We apply that against debt servicing. Our goal on this side of the House is to get down to what we call a zero borrowing position so that we can actually start paying down the debt. However, when one inherits a structural deficit as we did when we took over the reins of government from the Liberals in 1984, that restricts one from doing that and it has restricted us from doing it.

We are going to crunch that number but we are not going to do it by listening to those folks across the hall because they have voted against every single item we have brought into this House and every single budget measure to reduce the level of debt in this country.

Guess what else they voted against? Look at the spending controls that we imposed upon ourselves as a federal government. Guess what they did? They voted against it. Just about a year ago it looked as if they could take office and they would love to take office with no spending controls because that is the way they run government.

The other thing we did was to create a dedicated fund for debt reduction. They voted against establishing that as well. They voted against every single measure we brought into this House to get out from underneath the burden of debt.

They cannot disagree with me on that one because I challenge every Canadian out there to examine the voting record of those folks across the hall. We will find out that it is recorded that they voted against every single measure we brought into this House in order to get our debt position under control. They made it practically impossible to get it under way any sooner.

They are prolonging this debate today because they do not want Bill C-92 to go through because it flies in the face of the kind of reality they do not want to own up to.

Mr. Don Blenkarn (Mississauga South): Briefly, Mr. Speaker, I was wondering whether the member for Carleton—Charlotte would tell the House why the Liberal Party is opposed to the restitution of the following: small business development bonds, the reduction in the manufacturing corporate tax rate by 2 per cent, the introduction of the home buyer's plan that allows individuals to purchase houses with RRSP money, the reduction of the individual surtax from 5 per cent to 3 per cent, measures to assist Canadians with disabilities to allow those who are supporting a disabled Canadian to deduct the unused portion of disabled deductions from their personal income tax on a tax-credit basis, the right to deduct $680 tax credit for education and have the right to have that deduction transferred to parents and grandparents, the child care credit increase from $2,000 to $3,000, the increase of the child care credit for children under seven from $4,000 to $5,000 and the provision in the bill for the rollover of family farms to working sons and daughters of those farms without the imposition of capital gains tax.

Indeed, are they really opposed to all of these corrective measures that are in this bill to make the collection of tax more fair and to block loopholes? Is that what they are opposed to? Why in his view are they just yammering about this bill?

Mr. Thompson: Mr. Speaker, that fits in very well with what I was mentioning. Not only have they opposed measures we have taken on this side of the House to reduce the cost of government—that is to reduce government spending—they have opposed some very measures in this House that would not only lead to increased productivity within the Canadian economy, but they flew in the face of some—what we would call—social measures that we have taken in this House and to which the member has alluded.

I do not know how they can take much pleasure in this debate considering their track record over the last three to four years.

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of the adjournment are as follows: the hon. member for Notre-Dame-de-Grâce—Grants to municipalities; the hon. member for Trinity—Spadina—Immigration; the hon. member for Cape Breton—East Richmond—Sexual harassment; the hon. member for Algoma—Agriculture.

• (1640)

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, the debate on Bill C-92 is drawing to a close, and I have only five minutes to provide a summary of this bill. Since the legislation itself is far too complex to explain in a few minutes, I will concentrate on the important principles we should observe when governing a country with a population of over 27 million people.

First of all, what is essential in a democracy is the way we tax our citizens and ourselves. Nothing could be more basic. The way we are taxed and tax others should be fair and equitable, irrespective of the taxpayer's position in society. This is an important principle of democracy and responsible government, which we have inherited and which goes back for centuries. It has evolved over time, but the ultimate goal remains the well-being of our fellow citizens.

What has happened recently? We had the so–called tax reform. I know they used the word "reform", but that is not necessarily what it means. We had tax increases, but the burden of those increases was felt to a far greater extent by the middle class than by the wealthiest segment of our society. These increases came in the form of indirect taxes, consumer taxes and, finally, the GST, a tax that has created so much frustration for entrepreneurs and retailers in this country. Even today, two years later, there is still a general feeling of frustration as a result of this tax.

Reform was the order of the day. They introduced the GST, and gradually people are realizing that the GST did not deliver the expected results. People predicted there would be serious problems but they went ahead anyway. Today, the figures are coming out at various committees mentioned by the hon. member from Ottawa: a certain amount was collected by the government which had to use part of it to finance operations. Rebates had to be paid as well. All this goes to show that the net benefit of all these taxes leaves a lot to be desired.

However, what I find particularly interesting in Bill C–92, after talking about the fairness principle and the need to have a tax that is fair and equitable, is the part that deals with family trusts. Bill C–92 contains a truly bizarre provision which defies justification and flies in the face of the principle of tax equity. Twenty–one years ago the Liberal government at the time introduced amendments to the family trust provisions. It decided to adopt the 21–year rule, in other words, irrespective of the type of family trust, after 21 years the accrued value of these trusts would be taxed. It was a way to get rid of this tax shelter for the country's wealthiest families. On January 1, 1993 all trusts were obliged to pay the taxes which had accrued during those years.

• (1645)

The bill provides that the 21–year rule will no longer apply and that family trusts will be taxed only after the youngest member has died. In some cases this may take 20, 30 or even more than 40 years. So this is another substantial benefit.

Experts and tax lawyers appearing before the parliamentary committee argued that it was a tremendous advantage for the wealthiest families in our country.

Where is the fairness and justice in all this? I would say that of all the tax bills that have been passed in this House, this is the worst.

I think this is a disgrace. When we form the government this fall, our first responsibility will be to rescind this bill and apply the 21–year rule.

[*English*]

The Acting Speaker (Mr. Paproski): It being 4.45 o'clock p.m., pursuant to an order made Tuesday, March 30, 1993, in accordance with the provision of Standing Order 78(3), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the bill now before the House. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

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

(*Division No. 457*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Bertrand
Blackburn (Jonquière)	Blais
Blenkarn	Brightwell
Browes	Cadieux
Champagne (Champlain)	Chartrand
Clark (Brandon—Souris)	Clifford
Cole	Cooper
Corbeil	Corbett
Côté	Couture
Danis	DeBlois
de Cotret	Della Noce

Desjardins	Dick
Dobbie	Dorin
Duplessis	Epp
Feltham	Ferland
Fontaine	Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)	Gustafson
Horner	Hughes
James	Johnson
Kempling	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	Marin
Martin (Lincoln)	Mayer
Mazankowski	McDermid
McKnight	Merrithew
Monteith	Moore
Mulroney	Nicholson
O'Kurley	Paproski
Plourde	Porter
Pronovost	Reimer
Ricard	Robitaille
Roy-Arcelin	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Thompson
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Valcourt	Van De Walle
Vankoughnet	Vien
Vincent	Wilbee
Wilson (Etobicoke Centre)	Winegard
Worthy—91	

NAYS

Members

Allmand	Angus
Assad	Axworthy (Winnipeg South Centre)
Barrett	Bellemare
Berger	Bevilacqua
Blackburn (Brant)	Blaikie
Blondin-Andrew	Boudria
Caccia	Catterall
Dingwall	Ferguson
Flis	Foster
Gaffney	Gagliano
Gray (Windsor West)	Harb
Harvey (Edmonton East)	Heap
Hovdebo	Karpoff
Keyes	Kristiansen
Langdon (Essex—Windsor)	Leblanc (Longueuil)
Lee	MacAulay
MacLaren	MacWilliam
Maheu	Manley
Marleau	Martin (Lasalle—Émard)
McGuire	Mifflin
Milliken	Nault
Nowlan	Pagtakhan
Parker	Peterson
Plamondon	Proud
Riis	Robinson
Samson	Skelly (Comox—Alberni)
Stupich	Tremblay (Rosemont)
Young (Acadie—Bathurst)—55	

PAIRED MEMBERS

Charest	Darling
Hopkins	Jelinek
Jordan	Kilger (Stormont—Dundas)
Redway	Rompkey
Shields	Turner (Vancouver Quadra)

[*Translation*]

Madam Deputy Speaker: I declare the motion carried.

Motion agreed to, bill read the third time and passed.

• (1715)

Madam Deputy Speaker: Pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

HEALTH

BREAST-MILK SUBSTITUTES

Mr. Jim Karpoff (Surrey North) moved:

That, in the opinion of this House, the government should consider adopting as binding in Canada the World Health Organization's International Code of marketing of breast-milk substitutes.

He said: Madam Speaker, I am most pleased to rise today and speak to this motion. There are very few subjects on which I have received so much correspondence and promotion other than this one since I have been elected.

There are a large number of people in Canada who have been trying to deal with this health related issue for a number of years. Unfortunately, to this date they have not been successful.

I want to pay tribute to some of them because their perseverance has ensured that this matter be debated within the House of Commons. People like Jack Newman in Toronto, Renée Hefti in Vancouver, Jean Geary and Elisabeth Sterken have kept this issue alive in spite of the opposition from the rather large lobbies within the infant formula companies.

Much to my amazement within the last three days when it became known that this bill was going to be discussed this afternoon, I received a number of faxes from right across Canada supporting this motion. They were from health organizations, health workers, paediatricians, nurses and others who have become interested in the whole issue of breast-milk substitutes.

I want to discuss the subject by laying out three or four areas. First, why should we be promoting breast-feeding? Second, what is the international code? Third, what has been the voluntary code that the companies claim they have been following in Canada? Fourth, what in fact is actually happening in this country?

Breast feeding is a serious health matter. We are more and more switching our concept of health to preventive health. Preventive health means that we ensure how we practise our lifestyles promotes the optimum health in people.

Information is now increasingly being accumulated that shows breast feeding has significant health improvements for infants. Breast-fed infants experience lower gastrointestinal disease rates and reduced respiratory illness. The ratios are quite striking.

There is an incidence of four to six times more gastrointestinal infections in bottle-fed infants. Respiratory illnesses are five times as high. There is indication that breast feeding reduces the incidence of bacterial meningitis.

There is some interesting information being accumulated which shows that bottle-fed babies have an increased risk of insulin dependence. Lymphomas are six times more common in babies who have not been breast fed.

• (1720)

We have a whole series of medical reasons as to why infants should be breast fed. There are benefits to the mother. There are medical reports that indicate there is a reduced incidence of breast cancer and ovarian cancer in women who breast feed babies. Not only is it medically beneficial to the infant it is medically beneficial to the mother.

There are also economic reasons for breast feeding. Right now the cost of infant formulas or breast-milk substitutes range anywhere from $1,200 to $3,000 a year. When you start looking at a mother who is on a low income, this represents a significant expenditure. It is particularly significant for women who are living on income assistance or women who are supporting themselves on one income, so we have an economic reason for breast feeding also.

Most literature certainly indicates that infants should be breast fed for as long as possible, six months to a year. Right now between 20 per cent and 25 per cent of babies are basically fed on formula only. Some reports indicate that 50 per cent of mothers stop nursing within three months.

If there is a medical reason or it is not possible for the mother to nurse that is one thing, but what we have is the infant formula companies convincing women that they should not nurse, that there are better ways of feeding their infants.

I hope the parliamentary secretary to the minister of health who seems to defend the big multinational infant formula companies will speak on this bill and will explain why the government is tolerating the kind of marketing practices that are taking place by the companies.

There is a World Health Organization code that has been developed to set a code as to what the marketing practices for breast-milk substitutes should be. The code is fairly detailed. I would like to read just the summary of the 10 major points: "There shall be no advertising of these products to the public, no free samples to mothers, no promotion of products in health care facilities, no company mothercraft nurses to advise mothers, no gifts or personal samples to health workers, no words or pictures idealizing artificial feeding, including pictures of infants on the labels of the products. Information to health workers should be scientific and factual. All information on artificial infant feeding including the labelling should explain the benefits of breast feeding and the costs and hazards associated with artificial feeding." There are other parts to the code but those are the significant ones that I want to spend my time addressing this afternoon.

The industry decided it would adopt a voluntary code of practice for the Canadian Infant Formula Association. I want to read some of the things it said it would do voluntarily. Its code is quite extensive but I will just read a few of the points.

• (1725)

It says: "Member companies recognize that the decision to breast feed or not to breast feed, to discontinue breast feeding or to supplement breast feeding should be made by mothers with the counsel and advice of other health professionals and infant formula companies should not be involved in such decisions. Product claims will only contain statements that are consistent with sound medical and scientific data".

It goes on: "Infant formula companies will not make grants or contributions to support research, educational programs, fellowships, participation in professional meetings or the like or provide incidental services or professional courtesies for the purpose of discouraging breast feeding or encouraging hospitals or health care institutions to favour the donor's infant formula products and related products".

They will not make donations in order to encourage hospitals or health care institutions to favour the donor's infant formula products or related products. The donating company will inform the beneficiary institution such grants or contributions are made free, gratis, without any commercial conditions.

There are other things. It says that: "Samples of infant formula products will be provided only to medical facilities and health professionals for their discretionary distribution to mothers".

All of these things they glowingly say they are going to do. Let us look at what the major producers of infant formula are doing in Canada. I have pages of information where they simply totally disregard their own code, let alone the much more strenuous World Health Organization code.

I want to talk about them in three general areas. First of all, they give out misleading information. I have some examples where they say: "Just what the breast-feeding mother ordered". This is what they give to mothers directly: "Congratulations. Ross Laboratories joins you and your doctor, nurse and hospital extending to you, your baby and family the best wishes and good health and happy new year", just what the breast-feeding mother ordered. They give her this with a sample.

Here is one from Carnation, misleading advertising: "A new nutritionally complete infant formula". We have a lot of medical information that there are things missing in even the best infant formulas that affect the health of the child.

Mrs. Sparrow: What happens if you just cannot do it?

Mr. Karpoff: There are women who just cannot, but for women who can why should we allow companies like this to promote misleading information that says: "It is specifically processed to be hypo-allergenic and prevent the symptoms of food allergy". That is implying that breast milk creates food allergies. What hogwash. They simply promote with misleading advertising.

One of the things that the codes clearly say is they are not to market directly to people. They are only to market to the health care professionals, but they repeatedly give out free samples.

I have lists, pages of codified violations for direct advertising to the lay public in Canadian magazines, direct advertising to lay public on computer terminals in doctors' offices, patient hand-outs being given directly to people, brand advertising and patient hand-outs saying: "Breast feeding is the preferred method of feeding for newborns", and suggesting early weaning. That is a hand-out that they are giving directly to mothers, booklets that contain sample packs and advertising, all of the things that they said they will not do. They would go to big stores and get them to put direct advertising promotions on displays to try to influence women not to breast feed but to use their infant formula.

• (1730)

The most disgraceful part is what they have now started to do with health care facilities in this country. They have started to systematically make deals with health care facilities against the recommendation often of their medical staff, their paediatricians, the public health nurses, saying: "We will give you a grant if you give us exclusive right to hand out our samples in your hospital and exclusively you use only our product in your hospital". They think if a woman starts using a breast-feeding substitute in hospital she will stay with the brand she has become familiar with.

This is not small or inconsequential hospitals. One of the more prestigious hospitals in Canada, the Women's College Hospital in Toronto, has within the last months signed a $1 million agreement with Mead Johnson. It is giving them $1 million for renovation so it can have access. In exchange Mead Johnson gets access to new mothers and to give out free formula.

That is in total violation of the code. This is opposed by the Canadian Medical Association. We should think about the number of free samples that are given out. A maximum of 25 per cent of mothers do not nurse in hospitals. There were 360,000 births last year. Mead

Johnson gave out 300,000 samples to mothers in hospitals, nearly one for every nursing mother.

Ross Laboratories distributed 18,000 videos promoting its product in hospitals. Mead Johnson has signed a five year contract with the Royal Columbian Hospital in New Westminster, British Columbia that gives it exclusive use of its product in hospital. It immediately surrounded that area with a promotional program in drug stores promoting its product and having gift packs handed out to mothers of newborns. Carnation did a direct mail-out.

There is a little heat coming from a number of sources saying: "You are not living up to your own voluntary code". It is very clear that they are repeatedly not living up to their voluntary code.

Ross' solution is it has simply pulled out of the infant formula association. It says: "We no longer have to even bother to follow the code of practice that is a watered down code of practice. We will ignore everything and whatever we can do to promote, we will".

This has become a major problem in overseas countries but it is an increasing problem in Canada. One of the companies that we talked about here today that is closing its drug pharmaceutical plant in Windsor, Wyeth, continues to promote gift packs and suggestions for early weaning.

I see that I have only two minutes left. I want to say three things. First, this government has been less than helpful. It is on record that I asked the question in the House previously as to why it would not enact it. They sent me back a long letter of gobbledegook and a statement that said: "In 1987 departmental negotiations with the formula industry led to the industry agreeing to respect the aim and principles of the international code of marketing of breast-milk substitutes".

• (1735)

That is what they tell you and this is what you get.

The government itself in some of its promotional stuff discourages breast feeding. Some of the information handed out in immigration information tells immigrant women they should not breast feed in Canada in public. This is hogwash.

There is indication that the free trade agreement may stop Canada from implementing a code. However it is clear to me that the industry will not voluntary police itself. It has had a code. It has chosen to ignore that code and therefore I am asking this House to ensure that the code is followed by making it mandatory.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I truly appreciate this opportunity to say some remarks with regard to the motion before the House. I have four youngsters and indeed did nurse four youngsters.

I have to say that when I took a set of twins home from the hospital and nursed both babies three hours apart, then I was very glad to have some formula around, thank you.

What my colleague is bringing forward has to do with a health issue and it affects every new mother, there is no doubt about it, and every baby around the world and I certainly concede to that.

For many years Health and Welfare Canada has been instrumental in promoting breast feeding as an ideal and the most preferred form of nourishing babies. Since 1985 Health and Welfare Canada has encouraged all hospitals to adopt policies and to adopt practices in support of breast feeding and of the international code of marketing of breast-milk substitutes adopted by the World Health Organization.

The government as well has encouraged the industry that produces and distributes infant formula in Canada to carry out self-regulation. The industry through the Canadian Infant Formula Association has adopted a code of practice that supports the aim and the principles of the international code of marketing of breast-milk substitutes.

The declared purpose of the code of practice is to ensure that the marketing practices of Canadian manufacturers of infant formula support Canada's national goal to promote breast feeding and ensure safe and adequate nutrition for all infants.

The first sentence of the code of practice declares that breast feeding is the preferred way of feeding most infants. The code of practice goes on to describe many

commitments, prohibitions and limitations on marketing practices.

Such detailed information on the claims of infant formula products will be directed only to the physician, so what they advertise goes only to physicians or other health professionals. Communication with scientific organizations and government agencies assures that marketing is in concert with their efforts to promote breast feeding, infant health and well-being.

This motion now before the House proposes that the government adopt as binding in Canada the international code of marketing of breast-milk substitutes issued by the World Health Organization. If one looks at the universal scope of this code and some of the provisions, they are neither applicable nor appropriate for implementation in Canada.

The code calls on member states to give effect to its principles and aim in the form they deem appropriate.

Canada has already done this through policies and practices which are appropriate and comprehensive. More than 10 years ago, after the adoption of the code by the World Health Organization, our Government of Canada obtained unanimous support for the aim and the principles of the code by all the provincial governments. The governments agreed that in Canada the code should be implemented not through legislation—this is all the 10 provinces plus the federal government—and regulation but through education, health promotion and co-operation.

• (1740)

Almost 80 per cent of the mothers in Canada start by breast feeding their babies and more than 40 per cent continue to breast feed their babies for at least three months. Health and Welfare Canada has carried out and will continue to carry out comprehensive programs that promote breast feeding such as the Breast Feeding Advocacy Kit, the National Guidelines on Family-Centred Maternity and Newborn Care, a publication called *You and Your Baby* and brochures such as *Ten Great Reasons to Breast Feed* and *Ten Valuable Tips for Successful Breast Feeding.*

In fact these efforts were underscored even further by the Minister of National Health and Welfare last year. He introduced an initiative called Brighter Futures that puts $500 million in new moneys for targeting areas of concern with regard to youngsters up to seven years old. Brighter Futures recognizes the vital importance of breast feeding as a means of improving the health care of all infants.

Provincial governments continue in their partnerships with promoting programs. Non-governmental organizations throughout Canada and around the world continue their successful efforts to inform and educate parents on why breast feeding is by far the most beneficial way. Health professionals recognize and they know the effectiveness that their role has in promoting and supporting breast feeding.

This co-operative approach right across our country through the provincial governments, through all the agencies, and indeed with the federal government is serving mothers and children very well. Some people out there may ask: Who is making sure that our public policies, our national goals throughout this country and the international code are being followed. Why is there not legislation, as the hon. member across the way has asked? Why are there not regulations? Who is enforcing these codes?

I am sure that almost everybody in this House is aware that more legislation, more regulation and more policing is the last thing that we need. I think that the people of Canada as individuals are very responsible and they have to accept responsibilities, and indeed it is the woman's choice. Yes, she should be made aware of the benefits of breast feeding, but indeed the choice is hers. There are other implications that we do not know that may change her attitude. Indeed, it is up to the woman and her family with regard to breast milk.

Sure we have a code and a practice with the Canadian Infant Formula Association. As I said, we will work with all the provinces and we will not implement legislation. We will educate and make people aware and work with our provincial counterparts to make sure that the youngsters have the best.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am delighted to speak to this motion:

> That, in the opinion of this House, the government should consider adopting as binding in Canada the World Health Organization's International Code of marketing of breast-milk substitutes.

introduced by my colleague for Surrey North. I congratulate my colleague for taking this initiative.

Let me start by saying that breast milk is a natural product of a woman and it is free. Let me say that the Montreal Diet Dispensary, which helps 250,000 Quebec mothers each year to eat healthier foods, encourages mothers to breast feed because it is the most nutritious way to feed babies and it promotes a strong bond between mother and child. The child feels secure and loved.

What is the need for this motion? It is the aim of the World Health Organization in adopting the code to ensure that the slick advertising by infant formula manufacturers may not prompt mothers to buy formula rather than breast feed their babies. The importance of breast feeding cannot be over-emphasized.

• (1745)

In September 1991 the government acknowledged, as recorded in *Hansard* of the House of Commons, that it supported in principle the WHO international code. It said that it had played a key role in developing and promoting the code and that the department of health obtained unanimous support for the aim and principles of the code from all the Canadian provinces.

Furthermore, the government stated that it had taken a strong position with the Canadian infant formula industry by asking it to assume the responsibilities under the international code.

Things have happened differently. There have been many instances where mothers have been persuaded to start with the breast-milk formula because of the advertising approach and because formula is given free in the hospitals. That has been shown to in fact be a very persuasive tool.

If in fact this government is committed to this code, why does it not carry it to the logical conclusion and enshrine it into law, in legislation and regulation to prove its sincerity? Why not do it all: education, health promotion and a governing regulation and legislation so that when there is an infraction of this code the necessary teeth are there to ensure that the health of our babies and the health of our mothers are protected? That is the minimum that we can do for the health and welfare of mothers and babies in this country.

A headline recently published in *The Montreal Gazette* dated March 6, 1993, read: "Hospital sold its soul for a $1 million grant". Dr. Haslam, president of the Canadian Paediatric Society, wrote and registered his protest to this approach. The Canadian Paediatric Society is the professional society that leads all paediatricians subscribing to the importance of breast feeding.

Breast feeding, as I said, is a natural and free product from a mother. The many medical advantages of human milk are known. It is known that breast-fed babies are not prone or are less prone to disturbances of the gastrointestinal tract. They have greater resistance to infection of the respiratory system. Breast feeding creates enhanced bonding between mother and child.

Just recently I spoke with Ms. Jean Geary of INFACT Canada who told me of her concerns as she had seen them in practice. There are no teeth in the voluntary compliance with the presently existing code in Canada. Breast feeding itself is not being protected. In fact, by the giving of free samples we are allowing those samples to be used immediately and that is known to inhibit lactation. She also told me that a video film has been produced by an infant formula company that will certainly downplay the role of breast feeding. All of these are counterproductive to the goal of ensuring that breast feeding is promoted in Canada.

I also spoke to Dr. Jack Newman of the University of Toronto Hospital for Sick Children, who is an expert in the field. He conveyed two messages to me. First, Canada has an obligation to adopt the international code. Since it has been acknowledged by the government that Canada has participated in a key way in the development of this international code, this code must be binding on all Canadian manufacturers of infant formula. This code must have teeth.

• (1750)

We should have regulation or enabling legislation in Canada to ensure that the intent and principle of the international code are followed in our country.

Dr. Newman related to me the many problems he had encountered in his clinical practice. Many babies become ill because of contaminated and improperly used formula. In fact, formula should be labelled as medication, just to be used only in certain circumstances. It should not be

the food of choice for infants. The milk product formula was never meant to be the food of choice. Breast milk ought to be the food of choice for all babies in our country.

On this note, I would like to lend my support to this motion. I hope the government will be challenged enough to adopt enabling legislation so that the intent and purposes of the international code are truly adopted in Canada without any doubt, with all the necessary safeguards and thereby ensure the health and welfare of our newborn Canadians and of our mothers.

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, thank you for allowing me to speak to this motion.

I welcome the opportunity to discuss both our government's commitment to the principles of the international code and our concerted efforts to ensure that newborns in Canada benefit from the best available nutrition, their mother's milk.

All levels of care in Canada recognize and promote breast feeding as the preferred method of infant feeding, particularly in the first six months of life when infants are most vulnerable. The advantages of breast feeding include optimal infant nutrition, immunologic protection and psychological benefits.

Breast feeding had declined in many parts of the industrialized world including Canada. As a result, the promotion of breast feeding became a primary goal of the World Health Organization and Health and Welfare Canada.

In 1979, the World Health Organization and the United Nations Children's Fund proposed an international code governing the marketing of commercial infant formulas and other breast milk substitutes including bottle fed complementary foods.

Canada played a key role in developing the international code which is called the WHO International Code of Marketing of Breast-milk Substitutes. The World Health Assembly passed the international code in May 1980.

Canada has also played a key role in promoting this important code. In 1981, the year after it was passed by the world health body, the Department of National Health and Welfare obtained unanimous support from all provinces for the aim and principles of the marketing code.

At that time the provinces endorsed using educational and health promotion initiatives to implement the code rather than using a legislative and a regulatory approach. The federal government continues to endorse this position. It also fosters an encouraging resurgence in popularity of breast feeding among new mothers.

Thirty years ago, only 38 per cent of the newborns in Canada were breast fed. By 1982 that number had nearly doubled reaching 70 per cent. Recent studies indicate that nearly 80 per cent of all newborns are now initially breast fed.

• (1755)

Comprehensive national health and welfare approaches which are also part of the code's recommendations are designed to increase awareness of the superiority of breast milk for the health of infants.

The department widely distributes a publication for new parents called *You and Your Baby*. It was formerly known as *The Canadian Mother and Child*. For years, this has promoted breast feeding as the preferred method of infant feeding.

Also two pamphlets for parents including *Ten Great Reasons to Breast Feed*, *Ten Valuable Tips for Successful Breast Feeding* and a breast feeding advocacy kit produced for health professionals and for the public encourage hospitals to adopt policies and practices in support of breast feeding and the WHO international code.

As well, the promotion of breast feeding is an integral part of the post-partum parent support program for the parents of newborns and for the family centred maternity and newborn care. These are national guidelines.

In recent years, the department has also worked closely with a variety of health professionals and advocacy groups to raise public awareness of the benefits of breast feeding. These efforts will continue with the government's commitment to children and to their families under the child development initiative of *Brighter Futures*.

Current objectives of breast feeding promotions are these and I would like to emphasize them: To increase the initiation and duration rates of breast feeding, thereby improving the health of infants and to encourage and support breast feeding as the culturally accepted norm in our communities.

Moreover, the federal government recently reaffirmed its support for breast feeding as a contribution to children's help by signing the United Nations Convention on the Rights of the Child. Signatories agree to ensure access in their countries to education about the advantages of breast feeding.

In addition, the composition and the production of infant formulas are strictly regulated under the Food and Drugs Act. Infant formula manufacturers must notify the Department of National Health and Welfare prior to making a major change in an existing formula or before introducing a new product.

Health and Welfare Canada has supported the self-regulation of the infant formula industry to ensure that the industry complies with the code's marketing objective. The department also promotes breast feeding to ensure that prospective parents and mothers of young infants are aware that the benefits of breast feeding to a child far outweigh the benefits of infant formulas.

As a result of negotiations with the Canadian Infant Formula Association, the infant formula industry agreed that education and advertising materials should not imply equivalence of the two sources of nutrition and should not discourage breast feeding. This is one of the basic principles of the international code of marketing of breast milk substitutes.

The industry also agrees to limit product promotion. The Canadian Infant Formula Association's own code stipulates that "infant formula companies will conform to the position of the Canadian Paediatric Society—which recommends that all advertising of infant formula products be directed to health professionals and not to the lay public".

• (1800)

Health and Welfare Canada encourages the infant formula industry in Canada to adhere to its voluntary commitment to the principle of the WHO code.

I will summarize by saying that the Department of National Health and Welfare will continue its co-ordination role in this important area, reflecting the federal government's policy of consultation and negotiation. Companies must provide information on a composition of the formula and submit the results of studies that demonstrate that the product will promote acceptable growth and development.

The Acting Speaker (Mr. Paproski): I regret that the hon. member's time has expired. I must say it must be a coincidence that we are discussing breast feeding since your chair officer and his wife are proud grandparents of a beautiful baby girl, Kathleen Elizabeth Kemp, born to us on March 30. The mother is breast feeding and both baby and mother are doing fine.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

GRANTS TO MUNICIPALITIES

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on February 11 I asked the Minister of Finance to cancel or postpone his announcement of December 2, 1992 to freeze grants in lieu of taxes paid to municipalities.

Many Canadians might ask: What are grants in lieu of taxes that are paid to municipalities? Prior to 1950 the Crown, that is the federal government, did not pay any taxes or grants to cities for their properties within those cities: post offices, airports, ports, office buildings and so on. It did not do so even though those federal buildings received services such as garbage collection, fire protection, snow removal, the roads and streets in the cities and so on. Those federal buildings received those services but until 1950 the federal government did not pay any city taxes.

In 1950 the federal government agreed that it should do so. Therefore it passed the Municipal Grants Act, which provided for grants in lieu of taxes to be paid to the cities. In that program there was a mechanism to adjust those taxes from year to year in accordance with the rates of inflation and increasing costs of the cities. The cities relied on that program as written and expected to get from year to year certain increases in those grants when there were increases in taxes.

On December 2 in the mini budget presented by the Minister of Finance he announced without any warning or consultation with the cities that he was freezing the grants to the cities in lieu of taxes at the 1992 level. He did that after many cities in Canada had already prepared their budgets for 1993.

They prepared their budgets on the basis of the agreements as they existed. As a result of that freeze the cities stand to lose approximately $80 million. The biggest loser of all the cities is the city of Montreal, my city, which will lose approximately $10 million.

A city like Montreal, having prepared its budget and having expected a certain amount of money from the federal government, now must scramble to deal with that unexpected loss. It will either have to further raise city taxes or cut out vital programs.

Some people may say that it should cut programs, but I do not think many would say that today if it was to cut out snow removal or garbage removal or whatever.

This is no way to run a country. Who else in this country can decide without any consultation or warning they are just not going to pay their taxes?

The reply from the minister to me on February 11 was that there were great increases in these grants in 1990, 1991, and 1992. He said that the amounts were very large.

• (1805)

That may be so, but those were large payments because they were based on the size and number of the federal government's buildings in those cities and the services that they received. The increases were based on cost of living increases and increased costs, so that is not an answer.

There may have been good grounds for the federal government to want to discuss with the cities revisions or changes in the program, but it should have done that. It should have proceeded with the discussions and then maybe after the discussions it could have arrived at a new program that would provide for lower payments if warranted. As I said, it went ahead and announced this freeze without any warning or any discussions with the cities.

I ask at least that the freeze be removed, or at the very least that it be postponed. I ask the parliamentary secretary once again to consider lifting the freeze or postponing it.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, as you know, a freeze on grants in lieu of property taxes was announced in the economic and fiscal statement of December 2, 1992. Consequently, this measure is part of a broadly based expenditure restraint program designed to reduce the deficit and provide for reallocation of resources to investment in sectors that will enhance economic growth, such as the public infrastructure initiative. The December economic statement contained many restraint measures. Some of these measures will reduce program spending. Others, such as those affecting grants in lieu of taxes, will simply have the effect of freezing program spending.

It would be useful to recall the purpose of the grants in lieu of taxes program. Under the Canadian Constitution, the federal government cannot be taxed by another level of government. However, the federal government has deliberately chosen to pay equivalent amounts in lieu of property taxes. We have paid property, and continue to pay, more than $400 million annually in grants, a very substantial contribution by any standards.

Over the past few years, grants in lieu of property taxes have increased at a rapid rate. For instance, in 1986–87, the total amount of grants in lieu of taxes on departmental property was $217 million. In 1992–93, this number almost doubled, rising to $424 million. During the past two years alone, grants in lieu of taxes have increased by more than 30 per cent. Considering the federal government's financial situation, that is clearly not sustainable.

The federal government is accountable to Canadian taxpayers. It must ensure that the payments it makes voluntarily are reasonable and appropriate, considering the equivalent tax rates they represent. After all, there is only one taxpayer.

Public Works Canada is responsible for the administration of the program and has decided how the freeze will be implemented. No municipality will receive less money in grants in 1993 than it did in 1992, unless there was a change in value of the federal property or a drop in local taxes. Funding will be available to municipalities that are looking for legitimate increases. It is therefore prema-

ture to speculate on the specific impact on each municipality.

[*English*]

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, on March 17, 1993 I said to the Minister of Employment and Immigration:

> The immigration mail-in application system has been failing in Toronto for a year.

I spoke from 11 years of serving constituents in Trinity—Spadina, who are mostly foreign born. Service by the immigration department has never been so bad, never been so careless, never been so negligent, and never been so contemptuous of the customer as it has been for the past year. That continues right up to April 1.

I also said, and this is the point:

> MPs' inquiries often go unanswered for more than a month and too often the answer when it comes is there has been no officer working on that file for these months.

One example is a sponsorship that was undertaken on December 3, 1991. The constituent contacted this office in April 1992 and the office was told that there would be an answer by May 11, 1992. On May 26, 1992, the office was told that the file had not yet been processed and would probably be done in two months' time. In August the CIC said the application had not been looked at yet. "Someone is going to review original humanitarian and compassionate grounds, has not done it yet, not top priority".

• (1810)

By January 22, 1993 there was nothing on any answer from the Canada immigration service. On February 1 a call from the immigration service promised that the file would be taken care of. On March 9 in a call from the CIC it was indicated that the case file would be assigned to an officer. On March 15, 1993, there was a fax from the CIC and a call back to the CIC brought the information that it was not known who was in charge of the file for decision on H and C grounds.

Today, April 1, well over a year and a half after the application, the message the CIC sent was that the case file is with the assistant manager and our office should call back again in two weeks' time for further updating.

There is another ridiculous case. A lady applied to sponsor her mother in September 1991. The lady wrote to the CIC requesting an update and got no answer on the case. In December 1992, 15 months later, the CIC staff told my staff that the case was put into inventory and never looked at. They said it would be assigned to an officer with an urgent tag and if the constituent had not heard from immigration by January, the constituent should call. The constituent never heard from immigration. Two and a half years later, on February 22, 1993 a fax was sent to the immigration office requesting an update and there has been no answer as of April 1, today.

This is contemptuous behaviour toward the taxpayers who are paying the bills for this department.

My third and last example is a fax request to the department in December 1992 which was answered. This time I will have to admit it was answered later saying that they had faxed to the RCMP. The CIC had called back saying the RCMP reported that it was still outstanding. The update was requested December 4, 1992 and was not back yet. Report 27 had to be written up on the client because of late extension of visa. Then, on March 13, a fax was sent after further conversations. It states: "This client is reportable under section 27 of the Immigration Act as she did not extend her visa in time. A report has to be written by an officer. To date the report is outstanding. We will transfer the file back to the officer dealing with this case".

They are simply contemptuous of the public who pay their fees, contemptuous of the members of Parliament who represent the public. They do not do the work because the staff has been so chopped, so reduced, so demoralized that it is impossible for them to carry out their duties. I ask the minister to cancel this stupid unworkable mail-in program.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I think the hon. member has raised a couple of issues. One has to do with client service and the other has to do with restructuring.

First, we are all aware that all levels of government are under fiscal constraints and we are well aware that we have limited tax dollars. However, the restructuring of the Canada Immigration Centre network is going to provide what we believe to be more efficient and effective client service while saving the taxpayers dollars.

The enhanced use of technology over the past number of years in the case of the processing centre is scheduled to begin in April 1994. All the efficiencies that we have gained through mail-ins are going to add up and we will save about $6.5 billion. That $6.5 billion is going to be used within the department to ensure that we have good client relationship, that we have good service and we maintain it at the highest level. We also of course will enhance the enforcement aspects of the immigration program in order to maintain its integrity and that is something we have all heard from Canadians from coast to coast.

• (1815)

While we are saving taxpayers dollars our strategy is mainly to maintain client service at a high level.

Of the existing 64 points of service we will maintain a community presence with full-time immigration staff in 51. It is not a rampant reduction of the inland delivery network. We are redefining the structures of the Canada Immigration Centres and we also have a presence in the smaller communities.

We will maintain client service. Because of advanced technology we will be able to utilize the data processing and the money that we—

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired. The hon. member for Cape Breton—East Richmond.

SEXUAL HARASSMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, before I begin my remarks let me take this opportunity on behalf of the Liberal Party of Canada to extend its congratulations to you on once again becoming a grandfather. I do not know how many times it is exactly, three times?

The Acting Speaker (Mr. Paproski): Four.

Mr. Dingwall: Congratulations on behalf of our party.

On December 4, 1992 I had asked a question of the Minister of Finance with regard to the high unemployment in my district. I made reference of course to the provisions and amendments to the Unemployment Insurance Act with regard to sexual harassment.

Adjournment Debate

On page 14647 of *Hansard* in my question to the Minister of Finance I wanted the minister to explain to the people of my constituency as to how the provisions in the amendments to the Unemployment Insurance Act would benefit them.

I wish to say to members opposite that the response I did receive from the minister was totally unacceptable, inappropriate and ill-advised. Indeed in some ways it was quite insulting to those who are unemployed and looking for meaningful work in my district of Cape Breton—East Richmond.

I want members opposite to realize and understand that the people in my constituency, when they get the opportunity, are good hard-working Canadians. They do not wish to be on welfare. They do not wish to be on unemployment insurance. They wish to have an opportunity to make a meaningful life for themselves and for their families and to make a contribution to their community.

I suggest that the Government of Canada has betrayed at every opportunity those individuals who reside not only in my constituency but indeed in the other constituencies of Cape Breton as a whole.

The government has made major cutbacks without consultations. It has cut back with regard to money for post-secondary education. Our health care system has many holes in it at the present time. Unfortunately the government would give the impression that somehow it is doing all sorts of wonderful things for the unemployed in this country and nothing could be further from the truth.

I think of the numerous people in Saint-Léonard, Winnipeg, in northern Ontario, in the construction industry who are unemployed. In my district it is in excess of 75 per cent.

What does this government do? Absolutely nothing. It has rejected outright the proposals we have made as a national political party. In terms of a municipal infrastructure program it has laughed at that particular suggestion.

There are unemployed Canadians all across this country, in Montreal, Winnipeg, northern Ontario, Cape Breton. All the communities of Glace Bay, New Water-

ford, Dominion, Reserve, Sydney River, L'Ardoise have high unemployment.

I do not seek handouts from the Government of Canada but meaningful programs to put people back to work. We need facts and honest programs from this government, not the sarcastic, ill-advised, inappropriate responses we receive on a daily basis during Question Period. We need substantive answers.

I suggest to members opposite if they are not prepared to give those substantive answers and respond to the needs of the unemployed and the individuals on welfare in our society then they should step aside. They should allow another group of Canadians to assume that responsibility to provide the leadership and the direction which this country so drastically needs. It is not fair. It is not appropriate for the government to turn its back as it has over the last number of years on the unemployed of this great country. It is not fair. They are citizens who have rights like others, and as I said earlier they wish to make a contribution to Canadian society.

• (1820)

I look forward to hearing from the government opposite as to what specific programs it will put in place to assist the unemployed and to tell the constituents of Cape Breton—East Richmond how the amendments to the Unemployment Insurance Act will reduce the frightfully high unemployment in Cape Breton. How will it do that, Mr. Speaker?

We look forward to a substantive and not a vague, wishy-washy answer that we have received repeatedly from the Minister of Finance and in particular from the parliamentary secretary who sits opposite.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, there were quite a few allegations in the opposition member's statement, but I think one that he made quite clear that I heard had to do with the insensitivity or the unfair dealings at the Canada Employment Centres.

First of all, I have to say that all across the country the employees at the Canada Employment Centres are very sensitive, they do care and do work hard to get people back to work.

The member made reference to sexual harassment and I am glad he brought that up. I sat on the legislative committee on Bill C-113 and I have to say that sexual harassment was discussed for a very long time. There were some very misleading documents given out with regard to exactly what it was.

Sexual harassment is just cause, and any woman who quits her job due to sexual harassment will obtain UI. I have to say to you that the employees at the Canada Employment Centres have been trained or will be with regard to the sensitivity of sexual harassment cases. Meetings can be held *in camera* if the person claiming harassment so chooses. We realize this is very sensitive, but if there happens to be any issue where they feel there is not enough information, the person claiming sexual harassment will receive UI.

There is $3.8 billion in the 1992-93 budget that will go into job training for Canadians all across this country. I wish it were more, but we are working with limited funds.

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to extend my warmest congratulations to you on the birth of another grandchild, Katie I believe it is, Kathleen Elizabeth, the night before last. I wish you well as a great grandparent.

I put a question to the Minister of Agriculture a couple of days ago and pointed out to him that over eight major organizations had spent five hours that day before the agriculture committee, every major farm organization and community organization from Saskatchewan, from the rural municipal groups, the urban municipal groups, the prairie pools, the National Farmers Union, all of these groups.

They are trying to impress upon the minister there is a major crisis out there, that net farm income is dropping by over 40 per cent from what it was last year, and last year was a disaster.

The response I got from the minister is disheartening because the minister is so concerned about the politics of the situation that he actually came to the agriculture committee meeting and sat there. We do not see that very often, where he is in so much political trouble that he—

An hon. member: Did he have his earmuffs on?

Mr. Foster: He must have, because I do not think he caught the urgency, the challenge, the crisis that exists. Net farm income works out to $5,000 for a family farm. An average family farm in Canada has a capital investment of $525,000. They have to have things like combines that cost $100,000.

• (1825)

The minister came to the committee meeting but he did not hear. He must have had his earmuffs on. The group was saying to him: There is a crisis out there. Net farm income across Canada is dropping by $1 billion this year. It is not all due to the international situation. Partly it is due to crops but also to the failure of the government's support program.

The first recommendation of the Prairie Pools Inc. was to provide immediate third line defence financial assistance to the grain and oil seed industries to offset the damage caused by seven years of the international trade war. What could be more explicit than that? Instead of saying: "Yes, there is urgency out there, seeding is going to be starting in places like Brandon, those areas that have suffered so much in the past few years".

The hon. member for Brandon—Souris knows what the problem is. He knows that the Minister of Agriculture should be responding. What does he say? Just listen to this gobbledegook. The Minister of Agriculture said:

> I say again that we intend to do what we can what we have been doing.

That is really when I got concerned because the government has been doing nothing. The minister went on to say:

> That is to work with the amount of money that is presently on the table, that is contributed by both levels of government and by the producers to see if we can design a program that will be maximum assistance to the producers. That is exactly what we intend to do.

That is the Minister of Agriculture. The problem is that the present amount of money is inadequate. There needs to be an emergency third line of defence assistance now so farmers can put their crops in the field. I hope, Mr. Speaker, that you will support me in making representations to the parliamentary secretary. He knows the situation and he has the power to respond here tonight and to put the money on the table that the minister did not give this week.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, let me join in the words of congratulations that have already been expressed to you and your family. We express the hope that you will be able to cope with your new additional responsibilities, I am sure in a very competent and experienced manner.

The question of my hon. friend, the hon. member for Algoma, brings back memories for me because I had the opportunity to answer his questions in the past when I was Parliamentary Secretary to the Minister of Agriculture.

I would like to take this opportunity to say personally I believe that both of us are retiring at the end of this term and because we may not have an opportunity for another exchange, I would like to wish him well in life after politics because I believe that there is life after politics.

Having expressed those kind wishes, however, I must say that I believe his remarks this evening are somewhat lacking in that he has failed to take into consideration the contributions which this government has made to agriculture during the course of the last eight years.

As he knows well but has forgotten to mention, this government has increased assistance to prairie farmers, indeed to all farmers, by almost 600 per cent since the level of assistance which was being made available when we came to power in 1984. Of course, without that support, many of the farmers who are farming today would not have been able to remain on the land.

Certainly the circumstances in terms of cash income are less than we would like it to be. It is down approximately to what were the 1990–91 levels. What we must do is to improve upon the programs which are already in place.

I would like to make mention of both GRIP and NISA. Quite frankly I was disappointed to learn the other day that the Saskatchewan government has decided at this point to withdraw from GRIP and I believe from NISA as well by 1995. I think what we need is the federal government, the provincial governments and the various parts of the farm sector to work at improving what is there, rather than asking us to start afresh.

We have been there in the past for the Canadian farmer. We will continue to be there in the future because the Canadian farmer, as you know very well, Mr. Speaker, as indeed do many other members of this House, continues to be the backbone of the Canadian economy, at least in my part of the world and indeed I think it is true for the hon. member as well.

Unfortunately the type of assistance which is available to us is not as much as we would wish it to be. We live in an age of required fiscal restraint but we will continue to do the very best we can.

[*Translation*]

The Acting Speaker (Mr. Paproski): 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 6.28 p.m.

HOUSE OF COMMONS

Friday, April 2, 1993

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

CARRIAGE OF GOODS BY WATER ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-83, an act respecting the transportation of goods by water, as reported (with amendments) from the Standing Committee on Transport.

Hon. Shirley Martin (for the Minister of Transport) moved that Bill C-83, an act respecting the transportation of goods by water, as amended, be concurred in.

Motion agreed to.

• (1010)

Mrs. Martin (for the Minister of Transport) moved that the bill be read the third time and passed.

She said: Madam Speaker, I am pleased to present for third reading Bill C-83, an act respecting the transportation of goods by water. This act is intended to modernize Canadian legislation concerned with the rules of liability and compensation for damage or loss of goods during carriage by water.

The new act will make Canada's shipping laws more consistent with those of its trading partners.

I would like to thank the members of the Standing Committee on Transport for their consideration of this bill, the specific amendments which they proposed and which clarify certain aspects of the new legislation.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I too am pleased to rise on behalf of my colleagues with respect to Bill C-83, the carriage of goods by water act. This bill tabled by the government provides for the Minister of Transport to report to the House of Commons on the advisability of replacing the existing Hague-Visby rules with the Hamburg rules. That action would take place prior to December 31, 1999.

I want to say that the NDP transport critic, the member for Thunder Bay—Atikokan, is unable to be here today. Nevertheless he was instrumental in the process that led up to the debate we are having today. He suggested to the committee and was able to convince the Standing Committee on Transport which reviewed this bill to change it to require the report by the minister be automatically forwarded to the Standing Committee on Transport and the committee have the power to "undertake a review of the minister's report and the committee shall report its findings back to the House including a statement on the advisability of enacting the Hamburg rules".

While to most people this change would seem to be an extremely minor one, it is part of the broader issue which I am also interested in of giving additional powers and responsibilities to standing committees.

Too often the standing committee is excluded from the decision-making process. While from time to time ministers refer specific matters to a standing committee, such as the white paper on freedom to move and deregulation and the National Transportation Agency Review Commission report, as another one that comes to mind, at other times the committee itself decides to embark on a review of a policy matter such as the VIA Rail cuts, high speed rail, or the St. Lawrence Seaway, for example. Nevertheless there is still a broad range of policy decision making that standing committees have not been involved in. This is one more way of involving the standing committee in a meaningful way in the policy-making process.

Many bills passed by the House have a mandatory review provision built into them. In some cases the review occurs after the act has been in place for five years like the WGTA or three years like the Transportation Safety Board. In these cases the government appoints an independent commission to conduct the work.

The NTA review commission, which was just recently completed, cost the taxpayers millions of dollars. There are those of us who believe that the Standing Committee on Transport which reviewed the original policy paper, *Freedom to Move* and the enabling legislation, could have done the job of the five-year review at considerably lower cost to the taxpayer and, I might say, I think with different conclusions.

The same argument could be made for the now under way review of the Transportation Safety Board Act being conducted only three years after the act was passed. The transport committee helped create the new board through its work in reviewing the original act and they could be charged with the task of seeing how well that act is working.

In any event what we have before us today is a small step for the transport committee and for parliamentary reform in so far as it affects the committee, but it is one that we are happy to see.

Mr. John Manley (Ottawa South): Madam Speaker, I was not sure it was necessary to engage in debate on this bill but perhaps in response to the remarks made by the member for Winnipeg Transcona I would like to affirm the fact that the committee in considering this legislation, Bill C-83 as well as Bill C-97, operated on a very co-operative and non-partisan basis. Amendments proposed by all three parties were accepted in the course of the discussions concerning the bill. I think on all sides our feeling was that the effort of the transport committee in reviewing this legislation improved its quality.

• (1015)

It was a demonstration of the fact that when presented with the task, in this case the revision of the private international law concerning carriage of goods by sea, this place can work effectively together and can contribute added value to the legislative process.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Madam Speaker, I appreciate this opportunity to rise in this House to speak on Bill C-83.

This act respecting the transportation of goods by water which was referred to the transport committee has brought to light an issue that ought to be pointed out in this debate at report stage. Through the transport committee, we could, without prejudice to efficiency, with members who are interested in transportation, allow this committee to get more involved in terms of recommendations and encourage government to pay attention to these recommendations.

For one thing, the transport committee could very well do the work that independent commissions are set up for. Independent commissions are created right and left to make recommendations to government, and then these recommendations are implemented, be it in transportation or other areas. What if, to save money in these recessionary times, government decided to pay more attention—which I think it did indeed in this bill—to the input from the transport committee? Then, the legislative committees could recommend that such and such amendment or item be examined at the transport committee level. This way, instead of spending thousands of dollars on independent commissions, the government could use the money to let parliamentarians—because there would not just be members of Parliament involved—play a much more interesting part in this process.

Members of Parliament, especially those with no direct connection to cabinet, regularly complain about not being involved in the decision-making process. And this is true of members on both side of this House. This is a fine example of them actually playing an active part in developing recommendations. The same should be done at the standing committee level to develop recommendations that would be taken into account by government and save the cost of independent commissions—we are talking about millions of dollars here—which end up duplicating the recommendations from the standing committee and then, in many instances, the recommendations are shelved for years.

A major point to bear in mind while debating this bill, as the NDP spokesperson pointed out, is the renewal of some legislation after five years. That colleague was saying that, instead of relying on an independent commission to renew the act for five years, the Committee on Transport could, during its regular work, make that recommendation and thus avoid duplication. God knows there is a lot of duplication here in the House of Commons, as well as in provincial legislatures, which is very unfortunate. It is necessary in times of economic

crisis to reduce gouvernment spending and that seems very important to me.

We say in this bill that we must review transport safety every three years. Well, all the boards that are being set up could be monitored by the Committee on Transport instead of independent commissions hired by contract to submit recommendations.

I have an example in my riding of a lady, Mrs. Chaloux, whose husband unfortunately died at sea. She had to wait a year and a half before she got the safety report from the government.

• (1020)

It was during a meeting that I arranged for her and which took place on March 4 in Montreal that the board in question agreed to give her the safety report. Her husband has been dead for two years and she still does not know why he died. And how was that ship allowed to sail considering the state of its safety equipment? Several people died, and in that area of the Lower St. Lawrence, several accidents happened.

The boards that are appointed and which make recommendations to us every three years are often not as close to the day-to-day reality of things that are happening in the transportation area than are members of Parliament, who have the feeling on their side, who sit on the Committee on Transport and are involved in it. It is an example that we must follow in the future business of the House and the committees. It seems to me that on the democratic road that will guide us for the years to come, there should be an incentive, even a commitment from the government to take into account the recommendations from the standing committees, such as the one on transport, and to reduce considerably the number of independent commissions and contracts that are awarded to them which often look like patronage to reward some friends of the party or to give a few contracts to lobbyists who are a little too annoying.

In that sense we are wasting the Canadian or Quebecer taxpayers' money by disregarding the role of members, their recommendations, their observations, their contacts with the people, their contacts with groups involved in transportation or, for that matter, in other areas.

Moreover, by involving members we would realize substantial savings. I repeat that this is duplication since members already do that work on the transport committee which makes recommendations so there is no point striking an independent commission to confirm the same thing. This belittles the role of hon. members. Conversely it is gratifying to be able to act, to be the focal point for the demands of our regions, and this is a role members want to play, especially those we call backbenchers. Committee members would feel that they are doing something useful. They would feel part of the democratic process of government. Moreover, this would save money and we know how badly the government wants to control spending.

The committee which worked on this is a good example of what I am saying. It came up with interesting recommendations. As mentioned earlier, the government spokesperson underlined the fact that we came up with some sort of consensus following transport committee hearings. Thanks to the efforts of all political parties involved, the committee was able to agree on recommendations.

I am glad, as a member of the Bloc Quebecois, to say that we are going to give our support to this bill which results from a real democratic reflection and involvement of all political parties. As was said earlier about the Hamburg rule, we had a greater involvement of members in committee, an enhanced role for the transport committee, a fact which in the future might pave the way for other recommendations and a similar role for other committees. I thank the hon. member for Longueuil, the transport critic, for allowing me to say a few words on this subject. Normally he would be the one to address the House on such important matters. The hon. member for Laval is asking: "Why not today?" He very kindly let me speak first, being the House leader, but I assume he will have his own comments to add as well, considering a public statement he made recently about Montreal's two airports.

• (1025)

Our critic also sat on the transport committee, and he was somewhat surprised to hear that Pearson was the only airport designated as national by the Minister of Transport, the others being considered regional airports.

Obviously a review is necessary. Our position is that we are here to defend the interests of Quebec in the House of Commons. The minister decided, for instance, to help Canadian and not Nationair. I think he was right, but he should have refused to help Canadian as well. However, these decisions should have been considered within the context of a comprehensive review of air transportation in Canada and of the entire transportation sector.

We want to defend the interests of Quebec here in the House of Commons in no uncertain terms. We feel that any policies being considered by the minister should include a comprehensive review of air transport and of the entire transportation sector in this country. For instance, he should have refused to help Canadian as he refused to help Nationair, which was the right decision.

Until there is a comprehensive review our critic will have some very interesting things to say and publish very shortly in the party platform the Bloc Quebecois is preparing for the next election campaign regarding the specific role we will play in this House in securing a return on the money we pay to the federal government.

As long as we pay taxes to Ottawa we will have a return on those taxes. This is vital in the transportation sector.

My transport critic pointed out the monumental mistake made by Parliament when it decided on the location of Mirabel airport. The highway link is no longer possible because it would now cost $150,000 to go under the runways.

They should have listened to the Government of Quebec and selected a site for the airport near Saint-Jean, Saint-Hyacinthe or Drummondville. It would have been in Quebec's economic heartland and the province's economic interests would have been well served. This was a monumental mistake.

I am not saying it was the present government's fault. This was done by the previous government but it is clear the present government is perpetuating, not correcting the mistakes made by the previous government. The same applies to the deficit. The deficit was criticized for years, and now it has become intolerable. In fact, an initial deficit of $200 billion has now more than doubled under the Conservative government.

Basically nothing has changed. Increasingly Quebecers realize that they would be better off managing their own interests, their own money, both in the transportation sector and in other sectors. They would, of course, respect the rights of other Canadians and want to establish economic ties with the rest of Canada. Quebecers would like to see their taxes managed exclusively by the people and their elected representatives in the National Assembly and not by a government next door that redistributes taxes through equalization payments which it can freeze at any time, thus creating an imbalance of $700 or $800 million. This is what happened to Quebec during the past two years. The Quebec government had to take this shortfall and pass it on to the school boards and municipalities because it was not getting enough money from the federal government, equalization payments being frozen.

This is really too bad. We see this happening with equalization payments and we see the same thing in the transport sector. The Minister of Transport has sorely neglected the needs of the Montreal region. This coupled with poor decision making which has affected the transport sector in Quebec, has caused the Montreal region to suffer tremendous economic setbacks during the past ten years.

There is a pressing need for transferring authority in the transport and other sectors to Quebec's elected representatives. Under an economic union, we could have agreements reflecting the interests of the two countries that will soon constitute the territory still referred to today as Canada.

In conclusion I hope that hon. members will consider the committee's recommendations and that the report stage of Bill C-83 will be adopted as soon as possible. Very specific recommendations were made and an in-depth study was conducted by the committees which considered the bill, including the transport committee. I think the NDP critic did an extremely good job on this committee. His comments and the amendments to the recommendations he suggested impressed most committee members.

• (1030)

The Government was very open-minded with that bill. Nevertheless it should be amended. This study on water transportation of goods will have an important impact in terms of safety—I mentioned earlier the case of Mrs. Chaloux—and in terms of better management of water transport without increasing the cost of that mode of transportation. We know that in all departments and agencies costs have a tendency to rise not excessively but too quickly in my view when compared to Canada's revenue in these times of deep economic recession.

I do not know exactly how much time I have left, but I will conclude by saying once again that I hope other members will comment on this bill. I am surprised by the government's brief statement. One can feel it is engaging in the report stage almost reluctantly. I would have preferred a speech with definite substance that would have shown some will on the part of the Tory government to implement this bill as soon as possible and to try to get royal assent from the Senate, also as soon as possible, particularly in the matter of water safety. I am really concerned about that aspect because of my work with the Standing Committee on Transport.

I see the member for Saint-Maurice is in the House. I know how great his interests and his competence are in the area of transport. He was a member of the transport committee where he made many valuable statements and recommendations. I remember for example during conflicts and closures in Montreal, namely at Via Rail and the CN, the member for Saint-Maurice made a strong statement just by referring to some articles in the collective agreement, if I am not mistaken, making rail transport very expensive.

He is well known also for his expertise in the transportation of goods by water. I would be very happy to hear him corroborate what the NDP critic said as well as what the Liberal critic had to say. I would be happy to hear the member for Saint-Maurice, being aware of his expertise and of his talent regarding transportation as well as of the investigative mind he has always applied in this field and for which he was greatly admired by all the members of the transport committee. Actually I think that he was chairman or vice-chairman of this committee at one point.

Such expertise would certainly be very useful to the House today if he would be so kind as to share his point of view on transportation by water with us. As I said his opinion and his sound judgement in this field for which he is well known would be very useful to the House today. I am convinced that he could tell us how vigorously he had to intervene during caucus meetings to press the point that this bill was fair and necessary, especially in terms of transport safety and duplication of services.

He was a member of this committee along with several Conservative members and he did an excellent job. I congratulate him. It is said that we are more inclined to congratulate someone when we know he will not run again, but that is not the case for me. I have always had an excellent relationship with the member for Saint-Maurice in our discussions regarding transportation in the years to come and the future of the Mauricie area. I know how dear these two issues are to him and how dedicated he is to them. It is regardless of whether he runs again or not that I am asking him to intervene today on this issue in order to enrich this debate at the report stage so that when we take a vote on it, at third reading or at report stage, we will have had more in-depth participation from Conservative members. There was just one speech from the government this morning which lasted only a few minutes and I think that this is clearly not enough at report stage to highlight the last day of the final debate on Bill C-83.

I also have mixed feelings regarding the Liberal member's remarks. Somehow I know that he did a very good job in committee and, as always, his work reflected his perception of the way we should go about the democratic process in the House of Commons and particularly in committees. He worked hard to reach a consensus on that important matter and to avoid confrontation. For instance, his arguments on duplication, and particularly on security, gave transparency to the bill and convinced all political parties of the desirability of reaching for unanimity, even the independent members who showed great interest and admiration. I see that my 20 minutes are over.

• (1035)

In conclusion, Madam Speaker, I want to thank you for allowing me to express my opinion and I want to congratulate all the members who sat on the committee.

I hope this bill will be adopted very quickly because it is in the best interest of Canadians and Quebecers.

Mr. Nic Leblanc (Longueuil): Madam Speaker, first of all I would like to speak especially—

Madam Deputy Speaker: If the hon. member will allow me I would just like to call the attention of the House on one thing. I have carefully listened to the hon. member for Richelieu who seems to believe, having said so a few times, that we are at the report stage. As no motion for amendment had been reported from the legislative committee, I have first put, a few minutes after 10 a.m., the motion for concurrence in the report to the House, which has been agreed. We are now at third reading. That is why the hon. member for Richelieu had 20 minutes. If we had been at report stage he would have had only 10 minutes, as he well knows since he is well aware of the procedure.

His 20 minutes at third reading are up. Questions and comments. Would the hon. member for Longueuil please tell the Chair if he is standing for questions and comments or for debate. I need to know in order to time his speech.

Mr. Leblanc (Longueuil): Madam Speaker, I would like to ask a few questions and make some comments on the very good speech made by the hon. member for Richelieu. It is very good because it is a substantive speech.

We have three or four different modes of transport, whether it is by water, by air or by rail, and I have always deplored the fact that there are several governments involved in that area, whether municipal, provincial or federal, and so little common interest between the different governments or even within the federal department.

The big problem we see lies in a blatant lack of dialogue. Often, for example, water transport is supported to the detriment of rail transport or to the detriment of air transport and as a result governments spend money to promote air transport while subsidizing rail or water transports which compete between themselves. Governments spend money to promote one to the detriment of the other and then subsidize the other to the detriment of the first one. This becomes a kind of vicious circle wherein governments spend staggering amounts of money only to get to the result that transport companies in general end up having deficit after deficit.

• (1040)

As we have seen the air and rail transport industries are faced with huge deficits mainly because of a lack of co–operation between the various levels of government.

When I was a government member, the member for Roberval, the then Minister of Transport, decided to cut down VIA's funding. I asked him if he had consulted with the public transit authorities in Montreal to see if some of the lines could be used for urban transit in the Montreal area. He said that matter did not come within his responsibility and that his only concern was with VIA. Since urban transit was an area of provincial jurisdiction it was not his problem.

When a minister shows very little interest in co–operating with other levels of government we have to realize that it is going to cost a bundle. That explains the present deficit which is $10 billion over the government's forecast for 1992.

That is absolutely unacceptable and that is why I have decided to take part in this debate today. The situation in the transportation industry is a real mess.

I would like to know if the hon. member for Richelieu agrees with me that there is a total lack of co–operation between the various transportation modes in Canada.

Mr. Plamondon: Madam Speaker, I see that the hon. member for Manicouagan seems quite interested by the nice comment just made by the hon. member for Longueuil, so much so in fact that I take his smile as applause. He does not want to disturb this House, even though this could be rather easily done, given the small number of members who seem to take an interest in this very important debate.

I want to thank the hon. member for Longueuil who, by pointing out what goes on at the municipal, provincial and federal levels, as well as with the different commissions, raised precisely the issue which I wanted to bring up, namely the duplication and the indescribable mess in the field of transport because of the number of offices.

This bill deals with the transportation of goods by sea. I mentioned earlier the case where we had to wait for two years to get the results of an inquiry in the death of three or four people. This is unbelievable. The situation

is such because of the complexity of the administration of the different offices of the Department of Transport.

The situation is the same in the railroad sector. We discovered that a field where wheat had been sowed for 33 years still belonged, at least in part, to CN. It took 33 years before finally deciding to sell a strip of land the length of the House of Commons to the farmer who had been cultivating it for 33 years. This is an example of the mess to which the hon. member for Longueuil referred.

In my constituency there is a railway which they have just decided to abandon. The bridges linking the two regions of my riding fell 20 years ago and had never been repaired. Twenty years went by before deciding to abandon a line which was not used by any train. It took two and a half years to make the decision. The decision was made that long ago, but it will take another year before the land is transferred to owners along the railway. You can imagine the mess.

On the other hand, if the transport committee, as I said earlier, could make recommendations if not decisions which would be binding for the minister, it could ensure the review of each case of nonchalance by the offices and the various bodies which manage the transportation sector in Canada and particularly the transportation of goods by water. In the latter we know the demands made by the security officers regarding safety.

• (1045)

We are downgrading their services, considering them as insignificant safety officers on the same level as much lower officials. These officers have met every member of the House in the past month. The debate on it here has been incredible; they almost want to make ship inspection completely routine. That is an officer would go on the boat with a short questionnaire in which he would ask, for example, if they have a certain kind of pump or such and such a system. He would check off the appropriate box just as if you were being questioned for health insurance and are asked if you ever had a certain disease. You say no. The report is put in a drawer and that is the end of it. At the present time safety inspectors get on board and do the checks based on their training and knowledge about safety. They can do that and thanks to them we have not had a major accident in the river but a great danger is approaching. Safety conditions are deteriorating badly on Canadian vessels plying the waters of Quebec and Canada. In that respect, the member for Longueuil is quite right to talk about duplication; everyone is looking after his own interest and preventing Canadians and Quebecers from getting a guarantee of total safety.

This bill is an improvement but it could be much better. If we had a more in-depth review and if the transport committee had more power, goods would be shipped much more safely by water and other modes of transport. The member for Longueuil pointed that out when he mentioned the different levels of government involved in transportation.

This means that decisions are harder and harder to make and bureaucracy is even more cumbersome and the fragmentation of transport management means that after a disaster or after a situation is analysed, everything is turned over not to the transport committee which could act quickly, but to independent commissions that are paid millions of dollars and produce reports which are shelved as are the reports of the transport committee. Then an incident happens and another commission is charged with summarizing the old recommendations and making new ones so that it takes two or three years to come up with concrete solutions. This makes transport management more difficult. Transportation has a very big impact on Canadians and is extremely important to Quebec's economic development, especially because of the seaway. We saw that this winter when the Coast Guard made a doubtful decision about ice booms and the seaway was blocked for months. Madam Speaker, I see you are indicating that I have a minute left. I shall comply with your order immediately. I was saying that ships were directed to other ports, thus reducing business in our ports. My 10 minutes are now up.

Madam Deputy Speaker: The period for questions and comments is now over.

Mr. Nic Leblanc (Longueuil): Madam Speaker, as the Bloc Quebecois critic for transport I am pleased to rise today to speak on transport, and more specifically on marine transport.

I know that this bill is designed to improve the transportation of goods by water, to facilitate the berthing of our ships in small harbours, et cetera. I support this bill, but what concerns me most is the fact that once

again the government paid particular attention to transportation by water.

I am not convinced that the government took the necessary time to analyze the negative impact which the improvements made regarding transportation by water could have on the railroad industry.

• (1050)

As we are well aware, the CN chairman once again came to Ottawa this week. He appeared before the transport committee and he confirmed once again there would be an additional lay off of more than 1,000 employees at the CN.

We, members of the Bloc Quebecois, met the CP president a few months ago and he told us that the big problem for the railroad industry is the fact that shipping by sea is partly subsidized. So is transport by surface, since roads are built by governments, whereas railroad companies must build their railroads themselves. The costs incurred by railway companies are enormous, given the fact that they are in direct competition with the road transportation sector for which the roads are paid and insured by governments. This means that the railway companies are at a total disadvantage and this becomes totally unfair.

This is what I meant to say earlier. There is no consultation between the various transportation sectors in Canada and in Quebec. There is absolutely no consultation. Consequently governments subsidize some forms of transport to the detriment of others, which generates unfair competition and forces governments to pay and pay all the time. Transportation companies complain about this unfairness. Consequently the government decides to subsidize this transport sector, whether it is the rail, the marine or the air industry. This is a vicious circle in the sense that the government ends up paying all the time.

This is an obvious problem of bad management, and this is why I want to take this opportunity today to deal with the transport sector because this lack of consultation is totally unacceptable. I do not understand why people who are supposedly intelligent, educated and used to working in a industrialized country which is said to be number one in the world, cannot grasp this.

I also cannot understand why there are two airports in Montreal which are not operating successfully. I cannot understand why the government does not react. Also I never understood why, when Mirabel was built, the airport was north of the runways, while the population lives south of those runways. This is beyond me. I asked that question on several occasions to the transport committee in past years. As you know, Madam Speaker, this is my ninth year here as a member of Parliament, and I have had several opportunities to ask questions to the transport committee. I did ask why Mirabel airport was built north of the runways, while the population is located south of those runways. I never got much of an answer until about six months ago when experts provided one. I do not know if it is because I now sit with the opposition that I got an answer. I was told that when Mirabel was built it was first to serve the interests of Ottawa and Montreal. Autoroute 50 between Ottawa and Mirabel was supposed to be built, as well as autoroute 13 between Mirabel and Montreal, but the airport was built north of the runways to first serve Ottawa.

• (1055)

That is scandalous. Today highway 13 has still not been completed because it would cost $150 million to go under the runways, with the air terminal building located north of them.

That is completely unacceptable. I cannot understand it. I am an ordinary individual who does not know much. I am not an expert on transportation or economics but some things in life are just plain logical. This situation is beyond me.

I come back to my argument that transport should be managed by the Government of Quebec in the first place. As the old saying goes, you are never as well served as when you serve yourself. The day we are served by our Quebec government we will not put an airport in Mirabel to serve Ottawa instead of Montreal. That is what happened and I have proof. Experts finally admitted to me that Mirabel was built to serve Ottawa first.

I can tell you that Montrealers have had enough of the rivalry between these two airports. While traffic at Pearson Airport is growing, our Montreal airports are barely holding their own. According to the experts this

mess with two airports in Montreal costs the Quebec economy about $5 to $6 billion.

This leads me to say again that this lack of co-ordination among the modes of transport costs citizens and taxpayers huge amounts, exorbitantly high amounts for an outdated transportation system.

It is imperative that the federal, Quebec and municipal governments get together and agree on a comprehensive plan so that our marine, air, rail and truck transport can be profitable.

We know that transportation is one of the most important industries in Quebec, but the way it is managed in general is scandalous. I cannot understand how intelligent people can be that stupid.

With transportation everything is interrelated. People and goods have to be moved. Passengers travel by train, bus or car, by rail or by road. Encouraging transportation by road, for example, hurts the railway; encouraging transportation by rail hurts the bus lines.

We recently heard the Minister of Transport announce that he is restoring Via Rail service between Montreal and Quebec City.

• (1100)

That is very nice and the minister can boast that VIA Rail is running again between Quebec City and Montreal; it looks good to say such things. He has just announced another subsidy, but when the minister made that announcement he forgot to say that he was subsidizing everyone who travels on VIA Rail. I do not remember the exact amount, but I think it costs the government about $130 per passenger.

Madam Deputy Speaker: I am sorry to interrupt the hon. member, but he can resume his speech when we return to Government Orders.

It being eleven o'clock, the House will now proceed to Statements by Members pursuant to Standing Order 31.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*English*]

AUTOMOBILE INDUSTRY

Mr. John Reimer (Kitchener): Madam Speaker, I would like to commend Chrysler Canada Ltd. for its recent decision to upgrade its Windsor minivan plant at a total cost of some $600 million. This action speaks volumes about the attractiveness of Canada as an outstanding location for auto sector investment.

This is but one of many new capital investments in Canada announced in the past year by the big three. These investments total over $3.6 billion in value, including $1 billion at the new Ford engine plant in Windsor and $1 billion at its Oakville minivan plant, among others.

These investment announcements clearly indicate that we can compete. Canadian workers are among the world's most productive, second only to the United States and fully six and a half times more productive than their Mexican counterparts.

Ontario is close to major markets in the northeastern United States. Inflation here is lower than in most of the industrialized world and the cost of capital is becoming increasingly competitive. Our infrastructure and the quality of our labour force are vastly superior, particularly in comparison to Mexico.

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THE PRIME MINISTER

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, Canada's Prime Minister is off to sit on the knee of his former political masters, George Bush and Ronald Reagan, next week in California and Texas. True to form, he will mouth a major foreign policy speech while he is there.

Is it not interesting that our Prime Minister never feels the need to make such a speech in Canada? Could it be because he wants lots of applause for his efforts and realizes that his ideas are repugnant to most of his countrymen, or is it because he will clear the speech with Ron and George first to make sure it is acceptable to their Republican cohorts?

Canada needs a made at home foreign policy, not one dictated by American political has-beens whose policies have been firmly rejected by the American people.

Surely Canadians deserve to hear from their Prime Minister here in this House about what our foreign policy should be, not read about it on news wires from south of the border. Is it any wonder that Canadians feel this government has sold them out to American interests at every turn?

The Prime Minister should stay at home, call an election and face the punishment of the people that he has so richly earned.

* * *

[*Translation*]

CENTRES OF EXCELLENCE

Mr. Guy Ricard (Laval-Ouest): Madam Speaker, according to one survey, Canada innovated again by establishing the centres of excellence three years ago.

Indeed, 15 centres of excellence across Canada have had a major impact on research and development, which are essential tools for the future of our country. With a $ 240 million budget, these centres have stopped the brain drain which used to happen in the past because of a lack of funds and resources.

Better still, these centres have attracted back to Canada Canadian researchers who were working abroad. That was a good move on the part of our government. We made that effort. It was bold at the beginning but what a nice success.

We must continue to do so; the future of our young people depends on it.

* * *

[*English*]

AIR QUALITY

Mr. Rex Crawford (Kent): Madam Speaker, sick building syndrome is very real. The Judy LaMarsh Building in Chatham, Ontario, is the regional headquarters for National Health and Welfare. Labour Canada officials closed the building last week and sent its 235 employees home.

Renovations to the sealed building have created problems. Air quality tests found the levels of organic compounds to be up to eight times higher than the acceptable standards. One woman was sent to a hospital by ambulance with chemical burns to her throat. Fainting and irritated eyes were common.

We must find a cure for these sick buildings. Chatham is just one example. The World Health Organization says 20 per cent of all office buildings and two million workers could be affected. Fumes and lack of proper ventilation are two reasons.

• (1105)

After hearing of the Chatham incident my office has received calls from people in Ottawa and Toronto who have suffered the same situation.

I will be presenting a private member's bill regarding air quality in buildings. We must take action on this issue. It is not just a trendy issue but a serious health issue.

* * *

NATIONAL WILDLIFE WEEK

Mrs. Louise Feltham (Wild Rose): Madam Speaker, on the occasion of National Wildlife Week I wish to extend an invitation to Canadians to take part in the week's activities and to team up with Canada's environmental citizens.

This week provides many opportunities for Canadians to acquire knowledge and get involved in community actions that can help wildlife throughout the year.

The government has recently instituted a number of programs under Canada's green plan to help address the problems confronting wildlife, its populations and its habitat.

An important wildlife legislative initiative recently received royal assent and regulations are now being developed to bring it into force.

While we need to remain vigilant about how our special species and spaces are cared for, much is being done to improve the health of Canadian ecosystems. National Wildlife Week is another opportunity for Canadians to get involved.

* * *

HUMAN RIGHTS

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, in El Salvador the convicted killers of the six Jesuit priests have been set free by an amnesty ordered by the Arena

Party government and President Cristiani. President Cristiani, Defence Minister Ponce and the armed forces have repudiated the peace accords they signed with the FMLN and United Nations Secretary–General Boutros Ghali in which they agreed to remove military officers guilty of gross human rights violations.

Death squads continue to assassinate former members of the FMLN which did honour its peace accord pledge to disarm and disband.

In Guatemala President Serrano publicly accuses journalists, NGOs and church leaders of being subversive. Last Saturday death squads sent death threats to 24 of these leaders who are helping Guatemalan refugees to return peacefully from Mexico.

Canada's government actively and generously supported United Nations mediation in both countries. Now I call on our government to ask the UN Security Council to protect the peoples of El Salvador and Guatemala from the brutality of their rulers.

* * *

SMALL BUSINESSES LOANS ACT

Mr. John E. Cole (York—Simcoe): Madam Speaker, I am pleased to see that the Canadian banks are finally realizing the importance of co–operating in assisting small businesses. Over the past few weeks a number of banks have announced that they will actively promote the Small Businesses Loans Act and the improvement loans.

In a statement on small business the Royal Bank said its target is at least to double the number of SBLA loans it makes to this very important sector. The Royal Bank believes small business is crucial to economic recovery.

The Bank of Montreal recently said that it will continue to hold down the interest costs on all floating rate interest loans offered under the SBLA. At least until April 1, 1994 the interest rate charged on SBLA loans will be held at the Bank of Montreal's prime rate. That is 1.75 per cent below the ceiling for these loans.

Scotiabank also announced that it will offer loans under the new SBLA at prime. The offer will extend to both new and existing SBLA customers and will take effect as of April 1.

It is good to see this kind of legislation and the reaction to it.

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HUMAN RIGHTS

Mrs. Beryl Gaffney (Nepean): Madam Speaker, the report of the UN truth commission on El Salvador linked 95 per cent of the crimes against humanity during the 12–year civil war to the army. Important recommendations of the commission, such as the removal of the justices of the supreme court and the purging of the 40 military officers named, must be implemented.

The Catholic Church, one of the main negotiators for peace in El Salvador, has paid the supreme price in the civil war with the murder of Archbishop Romero, four American nuns and six Jesuit priests.

Defence Minister General Emilio Ponce and two dozen of his military officers have been directly linked to these murders. Yet within hours of the truth commission's report President Cristiani moved to grant amnesty to all those named, including the release from jail of two of those guilty of murdering the priests.

Canada must press for implementation of the outstanding recommendations of both the truth and *ad hoc* commissions. Canada must express to President Cristiani, to the UN and all related agencies our absolute outrage with President Cristiani's actions.

The recommendations of the truth commission are obligatory. Every avenue must be explored to prosecute the Salvadoran military officers for atrocities committed during this war.

* * *

• (1110)

[*Translation*]

THE ST. LAWRENCE ACTION PLAN

Mr. Gaby Larrivée (Joliette): Madam Speaker, today, the Minister of the Environment, also speaking for his colleagues the health and fisheries ministers, announced that the federal government will invest $100 million in the implementation of phase II of the St. Lawrence action plan.

The first phase of the plan produced splendid results. According to a study by Cogésult, from 1988 to 1993 the

St. Lawrence action plan resulted in the creation or preservation of 2,500 jobs a year and generated economic spin-offs of approximately $1.4 billion.

Furthermore, thanks to the plan it was possible to reduce by 74 per cent the discharge of toxic waste in the St. Lawrence by 50 industries considered as having priority, to preserve 5,000 hectares of wildlife habitat along the St. Lawrence, to create a marine park in the Saguenay and to implement survival plans for six endangered species including the beluga.

The secret of the success of phase I resides in the active participation of environmentalist groups, of—

Madam Deputy Speaker: I am sorry, but your time is up.

* * *

[*English*]

NEW DEMOCRATIC PARTY

Mr. Mac Harb (Ottawa Centre): Madam Speaker, the results are in. Voters in two Ontario by-elections have said no to the NDP and its policies.

As support for the NDP continues to decline its tactics of desperation are becoming more and more evident in the House of Commons. Its unwarranted attack on the Liberal Party over the NAFTA vote merely highlights this desperation.

Liberals have said no to this deal but unlike the NDP, which wants to build a wall around Canada, Liberals believe that properly negotiated trade deals can only help Canada's economy and prosperity.

The Ontario by-election is a statement that Canadians will not put up with an 18th century government approach any longer. The Dark Ages are gone. Ontarians have been stung once by the NDP and yesterday's results show they refused to be stung again.

* * *

PALLISER PARTICLE BOARD PLANT

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, in a recent report to my constituents I asked people in the east end of Transcona who live around the Palliser particle board plant to convey to me information about how the plant was affecting their lives, because it has become a controversial issue in my riding. People complained about odour, aggravated health problems, asthma, not being able to be outside in the summer, and a host of other problems.

This is a problem that is not just under provincial jurisdiction but also under federal jurisdiction because this plant received money from the western diversification fund.

I have written to the minister in charge of the western diversification fund because there are rumours of expansion of this plant. I asked that no more money in the form of loans or anything else be extended to the Palliser particle board plant or to Palliser, period, until such time as this problem is resolved to the satisfaction of the neighbourhood.

* * *

AGRICULTURE

Mr. Lee Clark (Brandon—Souris): Madam Speaker, although one might not know it here in Ottawa today spring has arrived.

As a child growing up on the farm in Saskatchewan I looked forward each year to the renewal that spring represented: to the return of the geese from the south, to the birth of the new calves, and to the warming of the soil which meant that the new crop could soon be seeded.

Spring to prairie farmers represents in a real sense the beginning of the new year, and with it comes the eternal optimism for which farmers have been famous for so many years.

As prairie farmers are extremely dependent first on the weather and then on the Canadian Wheat Board's ability to sell their crops to overseas customers, today's soon to be made announcement of the renewal of grain sales to Russia is welcome news.

Although some will invariably criticize the details of today's announcement, prairie grain farmers will be delighted by the prospects of an increased demand for last year's crop. Today's announcement is as welcome as spring itself.

[*Translation*]

TAXATION

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, yesterday afternoon, April 1, government saw fit, as of necessity, not to submit the richest families of this country to the 21-year rule. It has exempted them from having to pay the income tax accrued on their trusts over the past 21 years.

This government is allowing them to keep accumulating wealth at the expense of the middle class and the poor of this country. What happened in the House yesterday is absolutely appalling. The day will come when someone will have to answer for such an act of social injustice.

* * *

BEST EVER WINTER PROGRAM

Mr. Barry Moore (Pontiac—Gatineau—Labelle): Madam Speaker, I have the pleasure to inform the House that the Government of Canada has renewed today its support to the "Best Ever" Winter Program.

• (1115)

The program will receive $31.2 million over a period of five years starting in 1993-94.

The "Best Ever" Winter Program was introduced in 1983 by the Government of Canada (Fitness and Amateur Sports) in preparation for the 1988 Olympic Winter Games in Calgary. If the excellent performance of Canadian athletes at the last Olympic Winter Games is any indication the program has certainly reached its goals since it was introduced. It has also promoted participation in winter sports and the development of a sound administrative structure to develop sports programs.

With the Lillehammer Olympic games scheduled for less than a year from now, the renewal of this important program reflects this government's ongoing commitment to Canadian athletes and for winter sports.

[*English*]

TAXATION

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, Windsor retirees and others have been discriminated against in the tax treatment they have received. This issue goes back to 1980 and 1981 when Chrysler workers received shares from the company in return for wage and benefit concessions.

After negotiations in 1985 it was agreed they could cash these shares, but Revenue Canada treated this as income rather than seeing the growth in share values as capital gains.

Under the leadership of the local union president, Larry Bauer, this case went to court. The union won in the end. All active employees who had signed notices of objection received their taxes back plus interest, but over 1,000 retirees and others who had not been able to sign notices received back only their taxes paid. They received no interest.

The Minister of National Revenue has a way to correct this discriminatory treatment under the government's tax fairness package. I strongly urge action.

[*Translation*]

Madam Deputy Speaker: I am sorry to interrupt the hon. member but his time is up.

* * *

[*English*]

SOMALIA

Hon. David MacDonald (Rosedale): Madam Speaker, last month two very important conferences affecting the future of Somalia took place in Ethiopia: a national UN conference of reconstruction and a reconciliation conference of Somali leaders.

I want to say as one who participated in both conferences that I think these were important events for the reconstruction and rehabilitation of a country about which many Canadians have agonized.

In particular I want to point out the exemplary record and contribution of our Canadian Armed Forces through the airlift that has operated since last year from Nairobi that has flown literally thousands of tonnes to various famine affected people in Somalia. More recently since

December over 1,000 of our troops have served particularly in the Belet Huen area in the central western area of Somalia where they have not only provided peace but have begun to re-establish a civilian police force, have helped to re-establish a school and are assisting in the reconstruction of the country which will be important for the future of those people.

I know all members will want to pay very real honour to our Canadian Armed Forces who work under such difficult circumstances and make an outstanding contribution.

ORAL QUESTION PERIOD

[*English*]

ARMED FORCES

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, I direct my question to the Acting Prime Minister or whoever is speaking for the government today.

I think we are all distressed by reports of the incident in Somalia where four Canadian soldiers are being held in connection with the death of a Somali man. I want to express as well the deep concern that we have about the way in which the matter has been handled and the number of unanswered questions that are still outstanding without any response.

Why did it take so long for the investigation to get under way and for a public accounting on the matter? Why has there been no effort by the minister of defence to present the facts to Parliament? When can we expect the minister of defence to give a full accounting of what has taken place and the situation in which our soldiers are now expected to serve in Somalia?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, under the military legal system it is the responsibility of the commanding officer to immediately begin an investigation into any incident that arises. That occurred immediately.

After a couple of days of local investigation, the commanding officer felt he needed expert assistance from Ottawa. It took a couple of days to get the passports, inoculations and so on for the experts from Ottawa to proceed to Somalia to carry on the investigation.

There was no delay. The investigation commenced immediately and is ongoing.

• (1120)

[*Translation*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, I have a supplementary question for the same minister.

The problem is about three weeks ago four Canadians were involved in the suspicious death of a Somali. Why did it take so long for the investigation to get under way and why did the Minister of National Defence not state the facts in this case?

I ask the government to report to the House as soon as possible on the circumstances of that tragic incident.

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, as I indicated there was no delay. The investigation commenced immediately. However in the military justice system as in the civilian justice system it is not common practice or the accepted practice, for good and valid reasons which I am sure the hon. member understands, for the investigating officers to conduct, if you will, press conferences on the aspects of the investigation.

There is an investigation taking place. It is confidential, as are all investigations. It would be no more appropriate for the Minister of National Defence to stand in the House and give details than it would be for the Solicitor General to stand in the House and give details on civilian investigations by the RCMP.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, I am not sure the hon. minister quite understands the implications of what is taking place.

We have close to 5,000 troops involved in 18 complicated, difficult, risky missions around the world. As the minister will remember we have raised questions many times about the lack of any comprehensive approach in our peacekeeping operations, problems of equipment, training and preparation. Instead we have contradictory,

piecemeal statements. The Minister of National Defence said this week that we are going to pull the troops out of Bosnia if there is fighting, which there has been for the last two years.

Is it not time for the sake of our troops, families and Canadians that there be a regular system of reporting and accountability on peacekeeping missions so that we know exactly what mandate, what commitment and what circumstances our troops are involved in and to ensure that members of Parliament and the public will not have to learn from the media about tragic incidents such as took place in Somalia but learn, as should be the case, from the minister responsible who should be doing her job?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I think the hon. member has two very different subjects confused and he is trying to bring them together. They do not deserve to be brought together.

The question of an alleged criminal act is being investigated quite properly using the well established procedures that have been in place for decades, in fact since this country began.

I think the hon. member would understand that for justice to be done it is necessary for the investigating officers and the authorities to conduct that investigation without the case being prejudiced by comments made in the House.

On the question of our peacekeeping role, surely there is no mystery to the hon. member or anybody else about Canada's willingness and readiness to participate in UN sanctioned peacekeeping roles. The hon. member made a statement that the Minister of National Defence said that if there is fighting we are going to leave Bosnia and there has been fighting for the last year. That is nonsense. She said no such thing.

Mr. Axworthy (Winnipeg South Centre): Yes, she did.

Mr. Andre: No, no. I am sorry. Would the hon. member listen for a moment. She said if our troops are under attack. It is part of the UNPROFOR mandate that if UNPROFOR troops are attacked they will withdraw because our troops are there in Bosnia to try to provide humanitarian aid to the Bosnians. They are not there on a peacekeeping mission. They are there with the UNPROFOR to provide humanitarian aid. If they are attacked, they will pull out along with the other UN troops there.

That is what the Minister of National Defence said, not what the hon. member alleged.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, Canadians and members of Parliament were shocked and disappointed to learn of this incident involving the death of a Somali and four Canadian peacekeepers through the media three weeks after the event.

I want to direct my question to the Acting Prime Minister. As a previous Associate Minister of National Defence he would be aware that the commanding officer is required to send a significant incident report to the Chief of the Defence Staff.

• (1125)

When was the Minister of National Defence briefed on this issue and when does she plan to inform the House? If she was not briefed, why was she not briefed?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the hon. member as a former military person would well understand that in the military as in civilian life individuals who may be suspected of having committed a crime are entitled to the normal safety measures, are entitled to be presumed innocent and so on.

In order for investigations to be conducted in a fair manner it is necessary that they be done outside the glare of publicity and done in confidence. That is what is happening.

The Minister of National Defence continues to fulfil her responsibilities as she always has. The question of what her officials have said to her and when they said it, as the hon. member will know, is really not a matter for disclosure on the floor of the House of Commons.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, the point here is that members of Parliament and Canadians found out through the media.

When did the minister expect that members of Parliament and Canadians should find out? If it was not through the media how were we to find out? It is a significant event. I remind the minister that we have a size and scope of peacekeeping operations unprecedented in Canadian history. We have 4,800 Canadian peacekeepers involved in 18 different locations around the

world. We have 10 per cent of the world peacekeeping operations under way.

Canadians and members of Parliament do not expect, neither should they deserve, to be informed of these incidents in peacekeeping through the media many days and weeks after they have occurred.

I want to ask the Acting Prime Minister if he will appoint a full-time Minister of National Defence who will show leadership in the conduct of these operations and who will implement immediately a formalized regular series of briefings on these operations to the Parliament of Canada.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I guess this last question indicates the real interest of the opposition. They are not concerned about justice for the soldiers involved but rather are interested in trying to discredit the Minister of National Defence.

The Minister of National Defence is fulfilling her responsibility in an outstanding manner as she always does with all of her responsibilities. As the hon. member and as all hon. members would know, the appropriate time for comment on an investigation is only after the investigation is complete.

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, my question is for the government spokesperson on international trade.

A remarkable speech was made last Wednesday by Mr. Susumu Eto, president of the Mitsubishi Company of Canada. He pointed out that Canada had received direct investment from Japan of about $1.4 billion a year in 1989, up from $700 million a year in 1988. Since signing the free trade agreement that investment has now dropped off to $300 million a year and is rapidly diminishing.

My question to the minister is: in examining Mr. Eto's statement one finds that they have now decided to direct their investment capital to Mexico for lower wages and productivity that is equal in Canada. Is this not proof out of the words of a leading Japanese businessman that Mexico will be the attraction after we sign the NAFTA because of low wages and equal productivity?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member rises in this House and makes the same points day in and day out. He overlooks one fundamental fact, that is that 85 per cent of our imports now from Mexico are tariff-free.

There are almost no tariffs to speak of on the other remaining 15 per cent. If Mexico was going to put us out of business it could have done it ten years ago, five years ago, or last year, not because of the NAFTA. He always forgets this.

What he is raising are questions of our net direct investment in Canada.

• (1130)

I am very happy to tell the House that before the free trade agreement in 1988 we had a $2.5 billion deficit in net direct investment in Canada. More Canadians were investing more outside Canada than in our own country.

In 1992 we had a $5.3 billion surplus. There has been a swing of over $7 billion since the free trade agreement.

Mr. David Barrett (Esquimalt—Juan de Fuca): Of course, Madam Speaker, I predicted that response from the minister so I did not read the rest of my question until I got that response.

The rest of Mr. Eto's statement is as follows: "When Japanese investment rushed into Canada in the late 1980s there was a general optimism that the free trade agreement would bring about real free trade across the border".

He goes on to say: "This illusion burst when it was proven that one-sided protectionist action taken by the United States basically changed the precondition of business activities in Canada". Mr. Eto is saying that it is the free trade agreement that has caused them to move to Mexico because of U.S. protectionism. He then goes on to list the goods protected.

I ask how does the minister explain to Mr. Eto, please do not go away, please do not go to Mexico, we will stand up against their export enhancement program that subsidizes wheat, we will take them on in all these other

areas. He does not believe it and neither do other foreign investors.

What is he going to do about it? We are losing jobs because of that stupid agreement.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, I sometimes think the Japanese disillusionment recently with Canada may be because Premier Rae had just visited Japan.

I do not think the Japanese are disillusioned with Canada at all. In fact if we look at the automotive sector in particular, Canada buys 9 per cent of the big three autos that are produced in the world. We produce 18 per cent of them.

We have had a reconfirmation of Chrysler's $900 million investment in Windsor just two weeks ago. A $2 billion expansion is planned in the port of Oakville.

The North American automotive sector has been very healthy in Canada. We have been producing far more than we consume. The hon. member's party has always argued for the auto pact. We are keeping the auto pact intact and doing very well under this section of our trade with the Unite States.

Japanese investment has increased in North America on both sides of the border.

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, the spokesperson for the government on international trade matters today has decided not to answer the question but to go into bafflegab.

The specific question I asked was: How does the government explain after Mr. Eto's statements that their investment up to 1989 which was $1.6 billion has now dropped up to $300 million?

Not me, not the government, but Mr. Eto is saying that they will now move the bulk of their investment to Mexico. They will produce for the United States market out of Mexico with low wages and high production. What is he going to do to protect Canadian investment and Canadian workers rather than shilling for the United States in this agreement?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, it is very important we watch who the hon. member is quoting. He is quoting an official from MITI; he is not quoting the chairman of Toyota or the chairman of Honda or the chairman of Nissan. These Japanese companies have very different plans from what he is saying.

What he also omitted to tell the House was that labour rates are only 15 per cent of the cost of producing an automobile. Why would they move to Mexico in order to take comparative advantage on 15 per cent of the cost of building an automobile? The reason why Canada is competitive is that we are competitive across the whole spectrum of automotive goods.

* * *

GREAT LAKES

Hon. Herb Gray (Windsor West): Madam Speaker, my question is for the Acting Minister of the Environment in the absence of the minister.

Yesterday three major environmental groups, Pollution Probe, the Canadian Environmental Law Association and Great Lakes United, wrote the federal Minister of the Environment and his Ontario NDP counterpart to say they are "bitterly disappointed" by the inaction of the federal and Ontario governments on Great Lakes pollution. They said an agreement on Great Lakes water quality expired two years ago and the two governments still have not signed a new agreement.

• (1135)

I ask the minister, will the government negotiate a new agreement immediately and stop putting at risk the well-being of the millions of people in our Great Lakes region?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Madam Speaker, I am pleased to have this opportunity to inform the hon. member and the House that the agreement between Canada and Ontario is continuing as if it was in effect. All the present programs are continuing and funded.

I would like to assure the House that the Government of Canada is ready to return to the negotiating table with the Government of Ontario as soon as the latter is prepared to do so.

Hon. Herb Gray (Windsor West): Madam Speaker, the three major environmental groups wrote that they are suspending relations with the federal Minister of the

Environment and his Ontario counterpart to protest their inactivity in dealing with Great Lakes pollution.

They say the recently proposed U.S. guidelines on discharge of dangerous toxic chemicals in the United States will put these U.S. standards ahead of Canada's.

Why are the minister and the government not moving immediately to bring Canadian standards at least up to the new U.S. levels to reverse the degradation of the Great Lakes? Why will the minister and this Conservative government not stop their stalling?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Madam Speaker, first of all I want to remind the House that we have a $125 million, five-year Great Lakes action plan program in place and it is continuing.

Second, we certainly welcome the decision of the federal government in the United States to work in co-operation with those states which surround the Great Lakes. We believe it is important for them to approach this in a uniform and consistent manner. We welcome the fact that they are doing what Canada and Ontario have been doing for some time.

Third, I would like to disagree with my hon. friend when he suggests on the advice of others that American standards are necessarily more stringent than those of Canada and of Ontario. That is not our opinion.

* * *

NATIONAIR

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, my question is for the Acting Prime Minister. Today some 4,000 Nationair passengers are stranded all over the place. Canada's three largest airlines are drowning in red ink.

What does the government intend to do to help solve the problems of this ailing industry for Canadian travellers? Please do not tell us you are going to recalibrate the regulatory framework because that does not get the people off the ground in airports all over the world.

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, it is unfortunate what has happened to passengers who have been stranded.

We will find that most of the passengers are from Ontario and Quebec where there are programs in place through the travel agencies and the provincial governments to offer aid to these passengers.

The tour operators are working to get these people to their destinations, either back to Canada or to the destinations to which they were scheduled. We will be following very closely the work that the tour operators are doing to assist Canadians to complete their travel plans.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Very well, but for a year now members of this House have been asking the government to come up with a new policy on transport or should I say a policy since, as of now, there is none. We hear nothing but trite remarks from this government.

Today Canadians, and particularly those who are stranded in airports, want to know what the government intends doing. How long will these people keep going on and off grounded planes before this government wakes up and does something to save our airline industry?

[*English*]

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, for the last year or more, as the hon. member knows, there have been problems in the airline industry around the world, not just in Canada. There has been a downturn in the airline industries and in the tourist industry across the world.

For the last year our Canadian companies have been working very hard, especially the employees at Canadian Airlines who have done so much to help put their company back on the rails. They are working hard. Hearings are going on at the present time, as the hon. member knows, to try and come up with solutions in the private sector for the airline industry in Canada.

* * *

• (1140)

IMMIGRATION

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, my question is directed to the minister of immigration.

On Tuesday at 8 a.m. Canadian immigration in Vancouver will deport two unaccompanied children to the Punjab even though they have been legally adopted by a Canadian citizen in a Canadian court.

Their natural parents and the children have received repeated threats of extortion, kidnapping and even death in the Punjab. Now the natural parents cannot even be found because they are believed to be in hiding. Surely Canadians have not become so inhumane that they are prepared to see children deported to a dangerous situation where their lives are threatened.

Why does the minister condone the deportation of unaccompanied children who are the adopted children of a Canadian citizen to a situation where their lives are threatened and where their families cannot be located?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, I do not.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, it is obvious that the minister is not aware of this situation or has not been briefed on it.

Canada is a signatory to the Declaration of the Rights of the Child and the government boasts of its commitment to the protection and welfare of children. Surely a government that was truly committed to the welfare of children would not return them to a dangerous situation in India where their lives are in jeopardy.

Will the minister in this case stay the deportation order, review the case with his officials and allow the children to stay in Canada with their adoptive parents? They are the adoptive parents as a result of a decision of a Canadian court.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, I do not know why the socialists stand in this House and pretend to Canadians that we have the worst refugee and immigration system in the world when in fact we have the best.

I had a meeting this morning with the official representative in Canada of the United Nations High Commissioner for Refugees. Again he applauded Canada's effort in trying to help people who need protection abroad. He was commenting generally on the immigration program we have, which is the best in the world.

When I hear representations like the one this morning which portrays our immigration programs as terrible, this is not borne out by the facts. Canadians can be proud of their immigration program. It is the best in the world.

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OZONE DEPLETION

Hon. Chas. L. Caccia (Davenport): Madam Speaker, in the absence of the Minister of National Health and Welfare my question is directed to the Acting Deputy Prime Minister.

This spring ozone depletion over Canada is worse than ever before, resulting in an increase in exposure to harmful ultraviolet radiation. We need to be concerned about kids and adults alike as we go into spring and summer.

Why is the government not warning the public of the specific health effects of being exposed to the sun this spring, such as skin cancer, eye cataracts and a weakened immune system?

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, it was either a week or two weeks ago that the Minister of the Environment made some public pronouncements with regard to the ozone layer and the dangerous effects that the sun could have on the skin of all individuals. Specifically he mentioned children and people with fair skin.

There is no doubt that anyone going out in the sun will need protection. I think the responsibility is on the individual because the minister has made the public well aware of the steps they should take.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, public pronouncements by the minister do not solve the problem. That is the reason we are raising it in the House.

As the parliamentary secretary knows, ozone depletion poses a threat to human health and also to crops and natural resources.

Why has the government not launched an intensive campaign to inform Canadians, not just by way of individual ministerial statements on the steps, that they

should take care both to protect their health and prevent further depletion of the ozone layer?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Madam Speaker, first of all I would remind the hon. member that when the Minister of the Environment spoke publicly about this one year ago there were critics on the other side who accused him of scare mongering. Today they come back and ask why he is not doing more.

He was one of the first individuals to raise this issue with Canadians and to warn them they must take precautionary measures.

• (1145)

Second, we put in place a system which provides Canadians with information daily as to the level of UV rays throughout all of Canada.

Third, the budgetary provisions for UV protection have indeed risen by some 25 per cent during the course of the last two years.

* * *

HEALTH

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, my question is for the Acting Prime Minister in the absence of the minister of health.

For over four months, the Official Opposition has repeatedly asked this government to order a full-scale public inquiry into the contamination of more than 1,000 Canadians with AIDS-infected blood, nearly half of whom are now dead and the others ill. The minister has always found excuses in the answer that the government would wait for the report of the parliamentary committee.

Now that the subcommittee has concluded its hearings and even its chair from the government side has acknowledged that a public inquiry is needed, would the minister now order a full-scale public inquiry without delay? If not, why not?

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, there is no doubt about it that Canadians want to be guaranteed a very safe blood supply.

Indeed, the member for Delta who chairs the subcommittee looking into the tainted blood issue has publicly stated that perhaps looking at the Canadian blood agency that looks after the safety of our blood supply would be recommended.

I have to tell my colleague, who is a member of this committee, that while the committee has heard from many witnesses, the report has not even been formed, nor has it been tabled. I know the minister of health is waiting for that and he certainly will respond when it is tabled here in the House.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, when the safety of our blood system is of concern, time is of the essence. We have to assure Canadians without further delay. Half of the victims have died and many more continue to suffer. Compensation for these innocent people ran out yesterday and the government has been dragging its feet.

I want to ask the minister, will there be further compensation? Will there be a full-scale, independent, public inquiry ordered today?

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, as I said earlier, the committee has finished hearing its witnesses and it will be meeting over the next few weeks to draw up its conclusions and recommendations. We all hope that the report will be tabled in the House as soon as possible and I know the minister will react to that as soon as he can.

Also, on the area of compensation which has been a major concern to haemophiliacs, the federal government did provide some compensation. I suggest that the hon. member direct his questions to the province on that specific issue.

* * *

WYETH-AYERST

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, my question is for the Minister for Science today.

This week the Wyeth-Ayerst operations in Canada announced a net loss of 130 jobs as it shut down its Windsor operations. This same conglomerate had received close to $4.1 million to expand in Montreal with the last payment being made in 1990.

Is it not obvious to the minister that the Windsor shutdown has been caused by the federal government giving this $4 million to create the extra production

capacity at Montreal? What will the government do to correct this mistake?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, are we to say that the provincial government's help to Chrysler in Windsor of $30 million and the federal government's help to Chrysler in Windsor of $10 million approximately in training three weeks ago is going to put automotive workers in other parts of Ontario out of work? That is the same logic.

What has happened here is that our pharmaceutical industry is becoming extremely competitive thanks to Bill C-22 and thanks to the respect we are showing for the protection of intellectual property.

What is happening is there is a consolidation of resources to make it more competitive. I regret, too, that the Windsor plant had to close. However, there have been offers to a significant number of employees there to join the Montreal operation and also to join operations elsewhere. The bottom line is that this company is becoming increasingly competitive. As a result, it will be able to hire people in the future and add wealth to the country.

• (1150)

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I cannot let the minister squirm away from the fact that in March 1990 the last cheque for $761,000 was given to one sister company in Montreal and in March 1993 the other sister plant in Windsor is shut down. Despite all the brand-name companies' promises of expanded jobs, 130 jobs have been lost.

Why did the government not place any conditions for over-all job growth in getting this grant? Will the government now demand that this grant be returned since it has cost jobs rather than created them?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, I have just been informed that the federal government did not give a grant.

I will certainly confirm this for my hon. friend opposite. If the government did not give a grant it cannot put in place any kind of conditions which the hon. member wants the House to request of the government.

I have to tell him that he should want Canada to be competitive in this area. He should want those Windsor employees to work for a competitive company. A number of them will have opportunities under the new operation.

* * *

SMALL BUSINESSES

Mrs. Louise Feltham (Wild Rose): Madam Speaker, I would like to direct a question to the Minister for Science and Minister of State for Small Businesses and Tourism.

Today *The Gazette* quoted John Bulloch, president of the Canadian Federation of Independent Business, who said that the Small Businesses Loans Act was to give the banks a bigger slice and government a bigger slice.

What about the entrepreneurs? What do they receive under the SBLA?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, I would like to thank my hon. friend for her very important question.

I do not know whether I have ever heard John Bulloch congratulate any government for any program it has ever done. On this one he did admit that it is a great improvement over the previous Small Businesses Loans Act.

We have increased the fee to the banks but it turns out that most of the banks are not going to take the fee. They are so competitive now. There has been a flood of announcements recently. The banks are saying that they are going to have lending rates discounts; they are going to waive the commission and so on. Therefore banks are enticed into using the program even without the commission.

For the small business people it is very important to remember that we have raised the guarantee to 90 per cent from 85 per cent. They can now cover 100 per cent of the asset with their loan.

Even more important, and this is a discipline on the banks and the lending institutions, under the new bill a banker cannot ask for more than 25 per cent personal security against the loan. This frees up the personal security and collateral to be used for working capital

which is what small businesses have been asking the government to do over the last two years.

This bill should not be called the Small Businesses Loans Act; it should be called the super-duper loans act.

* * *

WESTRAY COAL MINE

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I too have a question for the minister of state for small businesses.

Now that the Prime Minister on behalf of the entire cabinet is spinning a phoney line that cabinet has made all documents available on the Westray mine disaster, I want to ask the minister if he is going to stand in his place today at twelve o'clock during tabling of documents and make available to Parliament, as well as to the inquiry, the 18 pages of the censored document entitled "Federal Funding of the Westray Coal Mine". I would ask the minister if he is prepared to do that today and, if not, why not?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, this government has been unprecedently open with the commission.

The Liberal government almost never co-operated with provincial commissions of inquiry into anything. We are very open because we want to get to the bottom of why the miners died.

I have to remind the hon. member that this whole issue at the federal level is just about a loan guarantee. The whole regulation of safety is a provincial jurisdiction. What we have done to date is to table 7,500 pages of documentation with the commission. I hope the hon. member heard me yesterday when I announced that thousands of more pages have been offered to the commission. It is about financing. It is about the technical aspects of the project. I think he will find in those documents the information he requires.

• (1155)

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, the minister several months ago indicated to the House and to the people of Canada that all the documents would then be made available to the inquiry. We found out yesterday and today that they have not been. We have an 18-page censored document which the minister refuses to table in this House.

In view of the fact that Parliament has not received this 18-page censored document, in view of the fact that the judicial inquiry has not received this document, and in view of the fact that the families of the deceased miners have not received the document entitled "Federal Funding of the Westray Coal Mine", will the minister now stand in his place and say: "Yes, I will table the document in Parliament" and, if not, why not?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member knows with respect to all the documents that we have tabled to date and will be tabling today or Monday, whenever the commission is ready to accept them, I have offered to send them today or Monday. They are almost all about the financial aspects behind the Westray decision.

Mr. Milliken: Is this one in it?

Mr. Axworthy (Winnipeg South Centre): Is this one in it?

Mr. Hockin: This particular document, if it is a cabinet confidence, would not be. But I do not know if this particular document is a cabinet confidence or not. I have not seen it. If it is the communication of one minister with another minister it would not be; if it is officials giving advice to ministers it would not be because these have been cabinet confidences for decades. No government in the parliamentary system operates by making documents like that public.

In fact all those issues are essentially what will be covered in the documentation the commission has already and what it will be receiving today or Monday.

* * *

SENIORS

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, in the absence of the minister responsible for seniors, I direct my question to the Acting Prime Minister.

Yesterday the minister announced a five-year funding program for seniors. The government has never lived up to its commitment to older Canadians. When the gov-

ernment announced a similar program five years ago it spent a little over half of what was promised.

I ask the minister why seniors should believe the government this time.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, about 17 per cent of the federal government's budget goes toward seniors, whether it is through transfer payments to the provinces or to the individuals.

Yesterday the minister responsible for seniors did announce that $170 million more would go into the Horizons programs which assist seniors in communities especially in remote areas, as well as into the independence venture program.

No doubt we all have to face the reality that our population is aging. The minister has announced this new program to strive to gain more independence for our senior citizens.

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, my supplementary question is for the Acting Minister of Finance.

Canadians have been told to expect a budget within the next few weeks. Will the minister guarantee that this seniors program will not be cut as has happened in previous budgets? Will the minister provide older Canadians with that guarantee?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I think the hon. member should wait until the budget is given in the House by the Minister of Finance.

I can tell the hon. member, and I think senior citizens throughout Canada understand, that governments at all levels, whether they be federal, provincial or municipal, have funding problems. To assure that the programs we have are funded and stay in place we have to tackle deficit problems. Seniors understand that. The hon. member may not, but seniors do.

* * *

TRANSPORTATION

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, my question has to do with the apparent intention of the government to change the Crow rate and to end the payment of the Crow benefit to the railways and begin paying this benefit in one way or another to the producers. This is something that the Conservative Party has had in mind for a long time, ever since the Liberals changed the Crow rate.

• (1200)

I would like to ask whoever is speaking for the government today on this issue why, when it knows the trouble that the railways in this country are already in with some 10,000 people designated to be eliminated from the CNR, for instance, over the next three to five years, it would proceed with this further change in policy, a policy change that is bound to be devastating to an already devastated rail industry and something that will definitely hurt the people of Winnipeg Transcona, the Transcona shops and other places.

Why would the government do this? Why would it be so cruel to an industry already in trouble?

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, this whole program that is being looked at, at the present time, is not being looked at in isolation by only looking at it from the farmers' point of view. The railways certainly have been consulted and are looking at what is being done and what is best for them in their particular areas.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, the people in my riding who work for the railway remember only too well the promises that were made to them at the time when the Crow rate was changed by the Liberals and how this was supposed to be a great benefit to the railways. They know now that it has not turned out that way.

I want to ask the minister who answered for the government: Is the government looking at all the implications of this not just in terms of railway jobs and also of the environment? One of the commitments that this government made in response to the Brundtland commission was that all policy changes would be environmentally assessed.

What environmental benefit could there possibly be in moving all the grain by truck rather than rail, which will be the outcome of this possible change?

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, the hon. member is making an assumption that grain will move by truck. He forgets that we have a seaway which is very environmentally sound that moves a lot of grain in this country as well. The environmental impact of the trucking—

Mr. Blaikie: There's no seaway in Saskatchewan.

Mrs. Martin: The environmental impact of trucks and trains. There is no decision—

An hon. member: Maybe we should be looking at some of the rivers.

Mrs. Martin: Maybe they should be looking at some of the rivers for shipping also.

ROUTINE PROCEEDINGS

[*English*]

COMMUNICATIONS AND CULTURE

RESPONSE TO STANDING COMMITTEE

Hon. Perrin Beatty (Minister of Communications): Madam Speaker, pursuant to Standing Order 109 I have the honour to table, in both official languages, the government response to the report of the Standing Committee on Communications and Culture entitled *Culture and Communications: The Ties that Bind*.

* * *

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 17 petitions.

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

* * *

[*English*]

LIAISON COMMITTEE

FIRST REPORT

Hon. David MacDonald (Rosedale): Madam Speaker, I have the honour to present the first report of the liaison committee regarding committee effectiveness.

I simply want to say that this has been a very important exercise conducted after some four years of the committee's existence. With the additional assistance of the member for Winnipeg Transcona, I think we have made a useful contribution not only to Parliament but to future parliaments.

I hope all members will very carefully consider the recommendations of the committee.

* * *

[*Translation*]

HOUSE MANAGEMENT

PRESENTATION OF 82ND, 83RD AND 84TH REPORTS OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, I have the honour to table the three following reports of the Standing Committee on House Management.

The 82nd report deals with the membership list of the legislative committee on Bill C-118. Pursuant to Standing Order 113(1), this report is deemed adopted when laid upon the Table.

The 83rd report deals with the radio and TV broadcasting of committee hearings.

Finally, the 84th report deals with the membership list of the special joint committee on Bill C-116. Pursuant to the order passed by the House of Commons on March 30 1993, this report is deemed adopted when laid upon the Table.

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

* * *

[*English*]

CANADA SHIPPING ACT

MEASURE TO AMEND

Hon. Shirley Martin (for the Minister of Transport) moved for leave to introduce Bill C-121, an act to amend the Canada Shipping Act and to amend another act in consequence thereof.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mrs. Martin moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

• (1205)

PETITIONS

KILLER CARDS

Mr. Bill Kempling (Burlington): Madam Speaker, under Standing Order 36, I have the honour to present 34 petitions duly certified and containing 18,199 signatures of citizens from Burlington, Hamilton, Ancaster, Dundas, Stoney Creek and many other locations in Ontario, Quebec and New Brunswick.

The petitioners support Mrs. Debbie Mahaffy in her efforts to have the importation of killer cards stopped from entering Canada. They applaud the efforts of the Minister of National Revenue and his statement in support of this action.

Your petitioners request Parliament to amend the law prohibiting the importation, distribution, sale and manufacture of killer cards.

TRADE

Mr. David D. Stupich (Nanaimo—Cowichan): Madam Speaker, I have a number of petitions, most of them from east Kootenay, wherein the petitioners express concerns about the North American free trade agreement. They feel it is going to lose more Canadian jobs. If implemented, there will be further restrictions placed on the ability of Canada's federal, provincial and territorial governments now and in the future to assist Canadian industry, conserve Canadian natural resources for Canadian benefit and advance needed social programs.

The petitioners call upon this House to reject the proposed North American free trade agreement and recommend to the government that it use the termination clause to end the U.S.-Canada Free Trade Agreement.

SERIAL KILLER BOARD GAME

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I have the honour and privilege to present petitions bearing 7,045 signatures asking Parliament and the government to take all necessary steps to ban the importation into Canada of the serial killer board game.

These petitions are in addition to 14,222 signatures that I tabled on February 19 and 10,180 that I tabled on March 12, 1993, for a grand total of 31,447 signatures asking for this ban.

I wish to thank all Canadians who gave me their assistance in this project. I invite anyone who has not yet signed such petitions to do so at the earliest opportunity.

RIGHTS OF GRANDPARENTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I have an additional petition calling upon Parliament to take all means necessary to ensure that the rights of grandparents are recognized, enabling them to see the children of their separated or divorced children.

I am pleased to table this petition on behalf of several people of Glengarry—Prescott—Russell and elsewhere who have asked me to table it on their behalf.

OLD AGE SECURITY

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, I have the honour to present two petitions today. They both deal with Canadian old age security pensions.

Today hundreds of thousands of Canadian senior citizens live below the poverty line and over 80 per cent of single women over the age of 65 live in poverty. The 37-cent increase in old age security pensions in April 1992 is inadequate to meet the many needs of Canadian seniors.

The federal government has a primary responsibility to ensure the adequacy of seniors' pensions. These people have more than carried their share of the load over the years as producing, contributing Canadians. Now it is our turn to see they are not below the poverty line in their golden years but have some degree of dignity as they live out their lives.

• (1210)

TRADE

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, I am pleased to rise pursuant to Standing Order 36 to present nine petitions, most signed by the constituents of the riding of my colleague, the member for Kootenay East, with a smattering of peti-

tioners from Kootenay West—Revelstoke and other points throughout British Columbia.

The petition expresses the concern that the proposed North American free trade agreement has resulted in even greater trade concessions being demanded of Canada and that this agreement will cause Canadians to lose more good jobs.

It further points out that if implemented the North American free trade agreement will result in further restrictions being placed on the ability of Canada's federal, provincial and territorial governments now and in the future to assist Canadian industry, conserve Canadian natural resources for Canadian benefit, and advance needed social programs.

The petitioners call upon the government and this House to reject the proposed North American free trade agreement and recommend to the government that it use the termination clause to end the Canada–U.S. Free Trade Agreement.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, it is my honour and duty to present petitions from several hundred signatories, mostly from places like Kimberley, Grassmere, Fernie, and Cranbrook, British Columbia.

The petitioners express considerable concern about the North American free trade agreement and the Canada–U.S. Free Trade Agreement. They call upon this House to reject the North American free trade agreement and terminate the Canada–U.S. Free Trade Agreement.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I too have the honour to present a number of petitions. The first series of petitions has to do with the North American free trade agreement.

The petitioners call on Parliament to reject the proposed North American free trade agreement and recommend to the government that it use the termination clause to end the Canada–U.S. Free Trade Agreement. They are also calling for a general election because they believe the Canada–U.S. Free Trade Agreement has harmed the country.

HEALTH CARE

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I would also like to present a petition signed mostly by residents of my own riding having to do with the state of health care and other federal cost shared programs.

The petitioners call for, among other things, the reaffirmation of a commitment to a comprehensive national health care program jointly financed by the provinces and territories. They call for the withdrawal of Bill C–91 which gives brand name drugs a 20–year market monopoly. They call for reaffirmation of a commitment to the guarantees of the Canada Health Act, et cetera.

YOUTH

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I submit a further petition signed by people who are concerned about the number of Canadian youth who belong to the middle and lower income families and are drawn out of school at an early age due to their present financial difficulties.

This petition goes on to call for the reformation of the income tax law to allow middle and lower income parents to claim their children as dependants if they are in full–time attendance in school, regardless of age, and allow parents to claim tuition fees that the students have incurred.

It calls for the elimination of the GST on student books and school supplies, promotion of subsidies at the post–secondary level by enhancing the quality of education through expansion of faculty and staff, promotion of price control on text books and vital school supplies, promotion of job training programs for future graduates, promotion of job creation and the implementation of assistance programs to help graduates, and provision of incentives for youth to improve themselves through better education and training by making it feasible for students to achieve their education.

It also calls for lenience by the Secretary of State toward students whose student loans are due and cannot afford to repay them because they are still taking courses and cannot find employment which would allow them to earn enough money to pay back their loans.

GOVERNMENT POLICIES

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, my final petition calls on the government to promote more subsidized day care centres to assist average Canadian workers with child care expenses.

It asks the government to reform the rules regarding the eligibility for unemployment insurance benefits of employees who quit their jobs or are fired because of misconduct.

It calls for the facilitation of government job strategies that will put welfare recipients and the unemployed back into the work force.

It asks the government to promote in-home jobs for mothers on social assistance or who are unemployed to make it feasible for them to work while they take care of their children.

It asks for the employment of more public servants to have a better quality of service and monitor any anomalies more closely. It asks for the implementation of strict regulation of abuse of power or misconduct on the part of public servants and employers.

It also asks that the preparation of future budget legislation be conducted through public awareness and participation in the matter.

* * *

• (1215)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, the following questions will be answered today: Questions Nos. 406, 475 and 487.

[*Text*]

Question No. 406—**Mr. Boudria:**

Was a Government of Canada aircraft used to transport the Prime Minister and/or members of his family to or from the United States during the month of September 1992 and, if so, (a) what was the date, destination and purpose of each flight, (b) what was the cost of using the plane, (c) what were the other associated costs, (d) what type of planes were used, (e) who were the passengers in each case?

Mr. Charles A. Langlois (Parlamentary Secretary to the Leader of the Government in the House of Commons and to Minister of National Defense): In response to the hon. member's question, I am informed by the Department of National Defense, the Prime Minister and Privy Council Office that a DND aircraft was used to transport the Prime Minister to the United States on one occasion during September 1992, as follows:

(a) On September 11, 1992, Ottawa to Hartford; on September 12, 1992, Hartford to Boston; and on September 13, 1992, Boston to Ottawa. The purpose of each flight is deemed to be a private matter. See part (d).

(b) The cost of using the plane was $11,721.

(c) Other associated costs for the U.S. trip in September 1992, including one advance trip in early September for a tour staff person, are as follows:

PMO			
	Jeff Clarke	$3,148.48	
	Susan Ellacott	701.49	
			$3,849.97
PCO			
	Guy Legros	$2,047.72	
	Ted Prusakowski	1,438.41	
			$3,486.13
			$7,336.10

(d) A Canadian Forces CC-144 Challenger was used, as per RCMP directive that whether on private or government business the Prime Minister must travel on secure DND aircraft.

(e) The passengers in each case were the right hon. Brian Mulroney, Mrs. Mulroney, Ms. Ellacott, Ms. Gammad, and RCMP Inspectors Pavey and McSweeney.

Question No. 475—**Mrs. Gaffney:**

With respect to payments of landing fees to Transport Canada, (a) are there any airlines currently behind and, if so, which ones (b) what are the amounts owed by each airline (c) was there any measures taken by the government to recoup the money and, if so, what are they?

Hon. Jean Corbeil (Minister of Transport): In response to the hon. member's question, the information requested in parts (a) and (b) cannot be made public as it contains commercial confidential information.

With respect to part (c), to collect the accounts, Transport Canada has been following collection procedures which include sending statement of accounts and collection letters, contacting clients through telephone calls and personal visits by senior managers of the department, in consultation with the minister as appropriate.

Question No. 487—**Mr. Angus:**

Does the government have employees in (a) Thunder Bay (b) riding of Thunder Bay—Atikokan (c) riding of Thunder Bay—Nipigon (d) riding of Kenora—Rainy River (e) riding of Cochrane—Superior and, if so, in each case, (i) how many and what is their primary place of employment (ii) are any positions designated as bilingual and, if so, how many and what are their classifications (iii) how many vacancies have occurred in both unilingual and bilingual positions and how many of those have been filled?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): In response to the hon. member's question, the government has 748 Public Service employees in the census metropolitan area of Thunder Bay which includes the ridings of Thunder Bay—Atikokan and Thunder Bay—Nipigon. Of these 748 occupied positions, 27 are bilingual positions. Of these, one is in the scientific and professional category, 13 in administrative and foreign service, one in technical, 11 in administrative support and one in the operational category. There are 721 employees in unilingual positions. Employees are mainly located in the cities of Thunder Bay and Neebing.

There are 377 employees in the riding of Kenora—Rainy River: nine are in bilingual positions, two of which are in the scientific and professional category, four in administrative and foreign service and three in administrative support. There are 368 employees in unilingual positions. Employees are mainly located in Sioux Lookout, Kenora and Fort Frances.

There are 199 employees in the riding of Cochrane—Superior, 21 of whom are in bilingual positions, three in the scientific and professional, eight in administrative support, three in technical and in seven administrative support. There are 178 employees in unilingual positions. The majority of the employees are located in Hearst, Kapuskasing, and in the census subdivision of Cochrane, unorganized north part.

In the 1992 Public Service recruitment in Ontario excluding Toronto and the national capital region, of 1,425 new recruits, 1,328 or 93 per cent were appointed to unilingual positions and 97 were appointed to bilingual positions.

[*Translation*]

Madam Deputy Speaker: The questions as enumerated by the hon. parliamentary secretary have been answered.

Mr. Langlois: I ask that the remaining questions be allowed to stand.

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CANADA ELECTIONS ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-114, an act to amend the Canada Elections Act, as reported (with amendments) from the Special Committee on Electoral Reform.

Mr. Plamondon: Madam Speaker, for your information, we were considering Bill C-83. I now hear the Clerk at the Table say that we are going to consider Bill C-114. The previous speaker was not able to complete his speech on Bill C-83. Why are we proceeding right away to consider Bill C-114 even though we have not finished with Bills C-83 and C-97?

Madam Deputy Speaker: It is the government's prerogative to call bills as it sees fit. Very often, when the debate resumes after Question Period, another bill is put on the Orders of the Day.

When the House returns to Bill C-83, the hon. member for Longueuil will of course have the time available to him if he is in the House then. But frankly, those are our rules and they have not changed, at least not since I have been here, which is surely as long as the hon. member for Richelieu.

Let us proceed then with Bill C-114.

[*English*]

SPEAKER'S RULING

Madam Deputy Speaker: There are 27 motions in amendment on the Notice Paper for the report stage of Bill C-114, an act to amend the Canada Elections Act.

[*Translation*]

Motions Nos. 1, 5, 7, 9, 12, 14, 16, 19, 23 and 26, standing in the name of the hon. member for Churchill,

are identical to Motions Nos. 2, 6, 8, 10, 13, 15, 17, 20, 24 and 27, standing in the name of the hon. member for Saskatoon—Humboldt. After consultation, the motions standing in the name of the hon. member for Churchill will not be selected.

[*English*]

Motion No. 2, standing in the name of the hon. member for Saskatoon—Humboldt, will be debated and voted on separately.

Motions Nos. 3 and 4, standing in the name of the hon. member for Kingston and the Islands, will be grouped for debate. An affirmative vote on Motion No. 3 will obviate the need for a vote on Motion No. 4. A negative vote on Motion No. 3 will require a vote on Motion No. 4.

[*Translation*]

Motion No. 6, standing in the name of the hon. member for Saskatoon—Humboldt, is identical to Motion No. 4 and will not be selected.

[*English*]

Motions Nos. 8 and 10, standing in the name of the hon. member for Saskatoon—Humboldt, will be grouped for debate and voted on separately.

[*Translation*]

Motion No. 11, standing in the name of the hon. member for Kingston and the Islands, will be debated and voted on separately.

[*English*]

Motions Nos. 13 and 15, standing in the name of the hon. member for Saskatoon—Humboldt, will be grouped for debate and voted on separately.

[*Translation*]

Motion No. 17, standing in the name of the hon. member for Saskatoon—Humboldt, will be debated and voted on separately.

[*English*]

An amendment very similar to Motion No. 18, standing in the name of the hon. member for Kingston and the Islands, was defeated in committee, but after consultation the Chair has judged it to be of a significance which warrants further consideration. Therefore Motion No. 18 will be debated and will be voted on separately.

[*Translation*]

Motion No. 20, standing in the name of the hon. member for Saskatoon—Humboldt, is identical to Motion No. 18 and will not be selected.

• (1220)

[*English*]

Motion No. 21, standing in the name of the hon. member for Kingston and the Islands, will be debated and voted on separately.

[*Translation*]

Motion No. 22, standing in the name of the hon. member for Kingston and the Islands, goes beyond the scope of Bill C-114 since it introduces a new concept. The Chair must therefore rule it out of order, according to citation 698(1) of the sixth edition of Beauchesne.

Motion No. 25, also standing in the name of the hon. member for Kingston and the Islands, since it would amend an act that is not even mentioned in the bill, is clearly out of order, as the sixth edition of Beauchesne says in citation 698(8)(*a*).

Furthermore, similar amendments to Motions Nos. 22 and 25 were declared inadmissible in committee. Motions Nos. 24 and 27, standing in the name of the hon. member for Saskatoon—Humboldt, are identical to Motions Nos. 22 and 25 and are also inadmissible. They will not be selected.

[*English*]

MEASURE TO AMEND

Mr. Stan J. Hovdebo (Saskatoon—Humboldt) moved:

Motion No. 2

That Bill C-114 be amended in clause 14 by striking out lines 18 and 19 at page 9 and substituting the following therefor:

"one thousand electors who are members of the party and who combined are residents of at least fifty of the electoral districts,".

He said: Madam Speaker, I want to give the exact meaning of this motion.

The concern here is that in the bill as it is 100 people can form a party and they can all be from one community. The change that we are suggesting and promoting is that 1,000 people from 50 different ridings be required to form a legitimate party. That would reduce the possibil-

ity of a large number of parties attempting to establish themselves.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I want to indicate that we are prepared to support the amendment that is moved by the hon. member.

We were happy with the bill as it stands. The amendment makes some sense, however, since registration as a party is a significant act. We are quite prepared to support the position he puts forward that 1,000 electors ought to sign the party's application for registration. The geographical distribution makes some sense. We are happy to support the amendment.

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, I must say that my whole purpose today at report stage, as I unfortunately was not here during the debate on second reading, is to focus some attention on the plight and problems of Independent members.

This is obviously for registered parties. I congratulate the Lortie commission. I know the committee of parliamentarians has worked hard on producing this phase of the electoral reform. I was just informed by the government House leader that the second phase, which definitely has some more areas of very real critical interest, may be coming and perhaps will be a priority once we come back from the Easter break. It is really the reverse side of this amendment. I do not really have any problem with this amendment because it concerns registered parties.

I have a real problem with several sections in the present bill that are silent about the status of Independent members. The fundamental one is the inability of Independent members to give tax receipts. Members of a registered party, be they Conservative, Liberal or NDP, can and that is understandable. However members of the Green Party, the Rhinoceros Party or parties that had 50 candidates in the last election can get a receipt.

Sitting members in this House who have stated they are Independents and are going to run in the next election are not able to get a receipt before the writ is issued. This puts that Independent candidate in a very unfavourable situation against candidates who are members of registered parties.

• (1225)

I understand the need for registered parties. I belonged to a registered party for years. For certain reasons, which we will not repeat here, I am no longer a member of a registered party but am quite happy to be here as an Independent.

The only two negatives to that situation are getting recognized by the Chair, but I will leave that aside, and with regard to elections Independents cannot give a tax receipt as their competitors can. That puts Independents in an unfair disadvantage.

The government House leader just told me this is going to be corrected in phase two. I have been following this debate with interest. I have correspondence with the government House leader going back to 1991 on this problem, which he recognizes and the Lortie commission recognized.

I give full credit to the Lortie commission. I presented a brief before the Lortie commission and its chairman, Pierre Lortie, an eminent Canadian. He and the interesting group on his commission produced an $18 million to $20 million report that produced a wealth of changes. I am sorry that we are not going to change many more things.

I know the wish of the government and the Chief Electoral Officer has indicated to the committee that he wants this phase passed so that forward planning can be done and implemented in time for the next election. We all know that is going to come some time between now and the early fall, September or October at the latest. We are hoping to use the referendum list. Surely the government would not call an election and not utilize the referendum list that cost $125 million to produce.

We know there is going to be an election. I do not want to impede the work of the Chief Electoral Officer, Mr. Kingsley, who has taken over from that other great Canadian, Jean-Marc Hamel, who came into this scene as the Chief Electoral Officer almost at the time I did some 25 years ago.

I do find it difficult being co-operative this afternoon when I know the government and the committee have looked after the problems of lunatics and have looked after the problems of prisoners voting in jails, perhaps not very well, but they have not looked after the problem I have raised.

I wish I could get some assurance from the government House leader and that might change my obstinance at the moment because I understand the reason and I do not want to be difficult. Someone could say that people who are Independents must be lunatics. I suppose that might be the answer of my colleague, the government House leader. I said someone might say that. *J'ai fait une blague, une petite blague.*

I would like some assurance on this question because I have some problems with extending the vote to lunatics. This problem affecting Independents has been well known by the government House leader for three years. It was described in the Lortie commission which provided a remedy and in the draft bill set up a draft wording that could be used.

I am very disappointed that the committee did not recommend and the government House leader in the introduction of Bill C-114 has not dealt with the problem in this phase so that an Independent member could start to issue receipts just like some of the people he will be running against who are issuing them today.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I want to put on the record what I said to the hon. member for Annapolis Valley—Hants privately. It is the intention of the government to proceed with phase two of electoral reform.

The reason for this is that the committee, in looking at this electoral reform in the Lortie report, concluded that because it was such a big mouthful it would be expeditious to proceed with those things that impose on the Chief Electoral Officer a large administrative burden such as these special ballots.

We decided to do that in one phase and we had thought we would have it through the House by now. The second phase would deal with the whole question of financing, limits, eligible expenses and the question of the private member's ability to write tax receipts.

I am told and assured, and I would be very disappointed if it was not there and I am sure it is there, that the report of the committee will include the amendments to the act to make it possible for private members to bring forward the bill.

• (1230)

If the hon. member wants further assurances why this would be something the government would be most interested in, he well knows that the existing limits and rules pertaining to fund raising are grossly inadequate. All of us are under pressure, so to speak, from our parties to amend the act in that regard. Therefore it is very much a government priority.

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Madam Speaker, I was listening to the leader of the government talk about pressures from the three political parties represented in this House to amend the Canada Elections Act. We in the Bloc Quebecois, and of course the independent members of this House, should also be included in there.

We must debate amendments but, as the leader of the ruling party said earlier, we would have liked to deal with the whole issue of amending the elections act. We are dealing with the first phase today, when elections are to be called by next October at the latest. Between now and then we will not have the time to look at phase two which deals with political party financing.

This amendment makes it totally impossible for an independent candidate to run except under very specific circumstances. I think that is totally unfair. It is unfair from a democratic point of view in the sense that only pre-registered parties seem to be recognized. Bear in mind that there are always people in an election who want to use a platform to promote their own views.

Obviously a ruling party can with legislation like that limit debate. As a matter of fact this government has done it and the fact was recognized again through parliamentary procedure. Time allocation can be used now pretty well as government pleases. Debate can even be stalled by the presentation of motions. Just about anything goes now.

In our opinion the amendment put forward by my colleague is perfectly justifiable. However it is restrictive, and that concerns us greatly. It is impossible to deal with this specific amendment in isolation from the bill as a whole, a bill which is being tabled in stages in spite of the fact that the Official Opposition had demanded, at the time this first phase was tabled, that it be provided

with the complete picture not only the parts that suited the government first and the opposition second.

On the other hand, not all the amendments before us today come from the Official Opposition. There are also some from the New Democratic Party. Had we been invited to discuss the matter—which was virtually settled right there and then—with the traditional and recognized parties represented in this House we could have made an important contribution.

In that context I do not believe we can agree to pass in a great rush amendments to such an important bill for democracy but at the same time this bill must take into account the significant issue of political party financing.

In this connection, we all know that big multinational companies routinely make contributions to the traditional parties and that these contributions can reach hundreds of thousands of dollars.

• (1235)

Last night on TV, we saw the multinationals that contributed to the yes committee fund for the referendum held last October. The same thing could happen again in the next election because we will not have dealt with phase two. There will be restrictions, however, on independent candidates who will not be able to seek funding and give tax receipts because there is no provision in the legislation. A party must field at least 50 candidates to be officially recognized by the Chief Electoral Officer. As a result, the democratic principle of this bill is being truncated. It is really too bad just before the Easter holidays when members will go back to their ridings to do the job that we have to do. We are being told today that if it does not pass now the Canada Elections Act will not be amended in time for the next election, which is practically a threat.

However, if we do accept these amendments, if we do accept this phase of electoral reform, we are accepting changes that suit the traditional parties in a House that some people see as a private club. I think that is unfortunate and undemocratic.

In my own case if I decided to run as an independent in the next election campaign, I would not be able to give tax receipts to people who would like to contribute to my campaign fund. This introduces a bias in our democratic system. The traditional parties are recognized. They can accept any amount they wish. They can give tax receipts to people and companies but an independent candidate would not be able to do that.

It is unfortunate and, as I see it, practically an insult to our democratic system that we do not have all the amendments to the Canada Elections Act but only those amendments that suit the interests of the government and the Official Opposition. That being the case, we in the Bloc Quebecois are firmly opposed to the passage of Bill C-114 because this legislation totally ignores democratic principles and the democratic rights of potential candidates in the next election campaign.

In fact the amendment moved by the hon. member would be most welcome as part of a bill that would cover all phases. However, we are amending the Canada Elections Act in instalments. The first instalment is very convenient for the government because it minimizes the chances of having independent candidates and submits them to restrictions imposed by this Parliament.

That being the case, we will do our best to explain to this government the importance of these amendments, whether they are adopted today or tomorrow, but of course tomorrow the House will be closed, since we are supposed to adjourn today.

• (1240)

It never fails. At the end of the session we are always pressured to adopt a number of important bills, practically without warning. They want to rush this through and one, two, three, these are the bills you have to pass. We have to accommodate the government and we have to accommodate the Official Opposition. The New Democratic Party has a number of amendments and the Liberal Party has several as well, but when I see this organized attempt to push through a bill I think this contravenes the basic principles of democracy and we will not go along with this.

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, I will discuss the amendments tabled today in the report of the electoral reform committee. When this reform got underway with the Lortie commission, people were asked to send briefs and I did submit a rather short one on the financing of political parties.

I will admit that I was totally disappointed to see that the issue of financing will not be discussed before the next election campaign. When you look at the way political parties are financed you wonder if we live in a true democracy. In Quebec we made very important changes to the elections act regarding party financing. All companies, multinationals, law firms, engineering firms, et cetera, were prohibited from making contributions so that only a voter could make a gift to a political party.

In Quebec the limit was set at $3,000. I thought it was high but I never understood why.

In my brief to the commission on electoral reform I wrote that in a democracy the financing of political parties was something extremely important and that it is up to the public to ensure that all those who want to run for a seat in this House have an equal chance to do so. No company and no wealthy individual should have the right to make unlimited contributions to help elect a party or a candidate.

Studies have been made on this. A University of New Brunswick professor gathered data for several years. I read his doctoral thesis at that institution. This person had asked me if I could provide information. Indeed, with the help of the Library of Parliament and with questions taken from the Order Paper, I was able to provide the required information.

This information proved extremely important. Each year when people make donations to a political party they get a receipt and they are entitled to a tax credit. The administration of this system represents several million dollars.

This professor's approach, which I found to be very good, is simply that if we believe in a democratic system and if we truly want to make our system equal and fair, we should eliminate all contributions to political parties. It is up to the public, to the community to ensure that those men and women who want to be candidates have funds at their disposal.

This professor demonstrated that to set up such a system would only cost 99 cents per voter. It would only cost 99 cents per voter to ensure that we have the most democratic system, as well as the fairest.

The total amount, which would be around $26 or $27 million, would be distributed to political parties. There would be a very fair system for the splitting of that money. No company, nor any voter, even the wealthiest ones, would be allowed to make a contribution. The state would make sure that anyone who is a candidate gets enough money to campaign. Then lobbyists would not be able to influence politicians. No company, no individual should have the right to influence the decisions of this House. This is not normal. The only way to put an end to it is to make sure that no one—no group, no union, no company, no engineering firm, no law firm—has the right to exert pressure on an individual who is a candidate by telling him: We are going to finance your campaign. We are going to contribute significantly to your election. In a just and equitable system this should be illegal.

• (1245)

This aspect has been totally ignored. I respect the work of the commission and the efforts which were made. There were probably things to be amended but doing nothing with regard to this vital aspect, the financing of political parties, is inexcusable. Several amendments to the bill will be proposed today. We talked about it at length but we never did anything about the real problem, the financing of political parties. In my opinion the way things stand we are open to corruption. That is for sure. Proposing formulas and holding discussions is simply beating around the bush.

To conclude, I believe that with time it will come. It is inescapable. As people become more concerned, more politicized, they realize that it does not make sense to leave financing of political parties to the well-to-do of this country.

Mr. Louis Plamondon (Richelieu): Madam Speaker, I am also pleased to rise to participate in the debate on such a controversial and questionable bill which is a mini reform of the elections act when we were expecting a full reform of the legislation.

I would like to quote what the right hon. Prime Minister had to say, 15 days before the last election, and what made the front page of *La Presse*. I would like the government House leader to listen instead of talking with his neighbour as he is doing right now. Here is a quote from that article: "Mr. Mulroney wants parties to be financed by the general public". That is a firm

commitment he made ten days before the last election, on November 17 to be exact, which was actually only five days before the election. He made that commitment and said to the reporter: "It is important to act now since it would be unfair to change the rules just a few weeks or a month before an election compaign. That is why we will deal with this issue early on during our mandate". Their mandate is almost over and at the very last minute, contrary to the official commitment made by the Prime Minister five days before an election, they come up with a mini reform which restricts democracy in Canada and, as indirectly, in Quebec.

How can they restrict, with the amendment mentioned earlier, the very first amendment before the House? We are being told that 1,000 voters from at least 50 different districts will have to sign an application and submit it to Elections Canada. An individual who wants to bring together residents from one area to elect a member supporting their regional interests would be disqualified almost automatically. If he lives in Vancouver can he afford to go to 50 ridings and all the way to Ontario to find one person, one qualified voter, to sign the application? Can he afford to go all over the country to gather 1,000 signatures in order to be recognized?

• (1250)

With this amendment what treatment would the independent members sitting next to me get? What treatment would the green party on the environment get? What treatment would the social credit party get, which still exists in some areas of Quebec and western Canada? What treatment would those parties get which, for example, want to promote or oppose free trade, abortion or the right to life? What treatment would those who want to form a political party get?

This amendment would severely restrict these groups and thus would also hinder the democratic process. In fact this amendment only serves the interest of the three main political parties in this House.

This amendment creates a sort of preserve and I cannot accept the fact that no Conservative member from Quebec wants to talk on this issue. After all, these members are aware of the historic legacy left by René Lévesque who in 1977, after he became prime minister of our province, had as one of his priorities the democratization of political parties through financing by the people. Only those who have the right to vote have the right to finance political parties in Quebec.

Following this display of courage the right hon. Prime Minister had committed himself, five days before the election, to table a bill in the first few months of his term. Instead he waited until the last minute to introduce a bill which would again protect the interests of those who finance his political party, namely the big multinationals which give $100,000 or $200,000 to his party in an attempt to buy the popular vote and ensure the survival of the party.

As for the other parties, I was surprised and pleased to hear the previous speaker, the member for Gatineau, who discussed the financial aspect of this issue and who would also like to see an in-depth review of this financing which should be the intent of the legislation.

When the government talks about electoral reform it must first discuss financing. It overlooked that aspect during the last referendum by saying the same thing. According to Mr. Justice Michaud the legislation on the financing of the last referendum was anti-democratic. Mr. Justice Michaud said that it was a violation of democracy not to impose a limit to the parties involved in a referendum or an election when it comes to approaching various organizations and collecting money from them.

Mr. Justice Michaud was very clear on this. The government invoked the Charter of Rights and Freedoms as the reason not to limit the financial involvement of people or corporations. In his decision Mr. Justice Michaud said this: "It is much more harmful to let the multinationals finance at large, as much as they want, the political parties or the yes or no side during the referendum". It is much more dangerous for democracy than to limit those contributions because the "democratic process must not be influenced by money or advertising." This is what Mr. Justice Michaud wrote in the Libman decision: "It must not be influenced by an avalanche of advertising, a slew of commercial messages which could have the effect of jeopardizing the democratic process".

The Liberals and the New Democrats are accomplices of the Conservative Party in this debate by accepting such a minor reform which will nevertheless impose

rather serious restrictions, especially for small political parties.

Mr. Vézina who phoned me from Toronto told me: "This reform—"

Someone is knocking at the door, Madam Speaker.

Madam Deputy Speaker: The hon. member will therefore excuse me for interrupting him.

* * *

MESSAGE FROM THE SENATE

Madam Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed without amendment the following bills: Bill C-113, an act to provide for government expenditure restraint and Bill C-95, an act to continue the Farm Credit Corporation and to repeal certain acts in consequence thereof.

* * *

• (1255)

[*English*]

THE ROYAL ASSENT

Madam Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

Mr. Speaker,

I have the honour to inform you that the Honourable Gérard La Forest, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 2nd day of April, 1993, at 12.45 p.m., for the purpose of giving the royal assent to certain bills.

Yours sincerely,

Anthony P. Smith
Deputy Secretary
Policy Program and Protocol

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

• (1305)

[*Translation*]

And being returned:

Madam Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-76, an act to amend certain statutes to implement certain fiscal provisions of the budget tabled in Parliament on February 25, 1992—Chapter 12

Bill C-113, an act to provide for government expenditure restraint—Chapter 12

Bill C-95, an act to continue the Farm Credit Corporation and to repeal certain acts in consequence thereof—Chapter 14

GOVERNMENT ORDERS

[*Translation*]

CANADA ELECTIONS ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-114, an act to amend the Canada Elections Act, as reported (with amendments) from the Special Committee on Electoral Reform; and Motion No. 2.

Mr. Louis Plamondon (Richelieu): Madam Speaker, we were still debating Motion No. 2 restricting the right of political parties to be born, thereby limiting the right to exercise democracy in Canada and in Quebec. It calls for one thousand electors from 50 different electoral districts. It may be warranted in some cases to limit the number of people who would want to register as members of a political party, but I think that such limitation goes completely against the Charter of Rights and Freedoms. It takes us back once more to this ongoing problem in the history of our democracy, namely the power of the wealthy relative to the rest of the population.

Unavoidably when established parties like the Progressive Conservative Party, the Liberal Party and the New Democratic Party get together and agree to limit our right to exercise democracy they are protecting their

ivory tower at the expense of democracy. In that context I can only oppose such a legislation.

Again the real problem requiring an in-depth revision of the elections act is political party financing. That particular question has been evaded, although the Lortie commission did mention it in its report without being too demanding. The hon. member for Mégantic—Compton—Stanstead did request it in a report submitted to the Lortie commission but it was disregarded. They did not even take into account in that reform the Prime Minister's firm commitment to ensure that the financing would come from the public at large, which means that only those who have the right to vote could contribute. We must fiercely protect that heritage from the days when René Lévesque was premier of Quebec. I cannot understand that the conservative members of this House do not care enough for this legacy to allow us to vote democratically without being influenced by money.

Mr. Nic Leblanc (Longueuil): Madam Speaker, thank you for giving me this opportunity this afternoon to speak on Bill C-114 which in no way reflects the promise of the Conservative Party for a thorough reform, particularly in the area of party financing.

I would like to quote the promise of the Prime Minister, just before the election, to bring financing of political parties by the general public. We can find it in *La Presse* dated November 17, 1988, and I quote: "A bill to force all political parties at the federal level to rely on financing by the general public would be passed at the very beginning of the second mandate of a Conservative government". This was the assurance given by Prime Minister Brian Mulroney during an exclusive interview to the Montreal daily *La Presse*.

• (1310)

Such a measure would be a logical and fundamental initiative to eradicate a number of potential conflicts of interest. That is what the Prime Minister was saying just before the election of 1988 with a view, naturally, of securing votes in Quebec because he knew that this mode of financing had now existed for a number of years in Quebec. It is now part of Quebec culture.

Being well aware that it was in the Quebec culture he used it just before the election of 1988 in order to win votes.

I continue my quote: "Recognizing without reservations the value of such a measure already in existence in Quebec, Mr. Mulroney said he would legislate quickly an end to contributions by corporate entities, whether companies or unions, to election funds of political parties, and a limitation to contributions by individuals. He said he would put all his weight in the balance to convince reluctant members of his own party before proceeding as quickly as possible with such a legislation.

For the outgoing Prime Minister, such a legislation on financing by the general public would fit his commitment of openness already shown by new and stricter regulations regarding conflicts of interest and an act on registration of lobbyists.

It is precisely his approach to problems of the past which, according to him, convinced Canadian voters of his commitment and of the need to minimize risks by taking the necessary measures to deal with the source of the most common errors and, among those measures, he is greatly relying on the financing of political parties by the people".

This is a formal statement made by a Prime Minister who seemed credible at the time and who got my trust. I belonged then to his party and he was then my leader. I believed in this Prime Minister and his statements, such as the one I just mentioned to you.

Moreover, the leader of the Bloc Quebecois, who was at the time his Quebec lieutenant, believed as well in the Prime Minister and in his statements on financing by individuals. He firmly believed in that. Indeed, he was one of the few in his riding of Lac-Saint-Jean to adopt, as an example, the financing by individuals for the 1988 election.

Another member from the Bloc Quebecois, the hon. member for Mégantic—Compton—Stanstead, was the one, and everybody in this House knows it and I know that most Quebecers also know it, who defended financing by the people in order to avoid conflicts of interest.

The hon. member for Mégantic—Compton—Stanstead worked very hard so that we could have an honest democracy. It was the statements and the efforts that he made that led the Prime Minister to take that position. We thought then that the Prime Minister was serious.

• (1315)

As usual the Prime Minister in order to cover up his intentions as he did with several other projects or initiatives opposed by Quebecers or Canadians or to improve some sectors of economic or political activities because he wants to wash his hands of the issue, always ends up appointing boards of inquiry which cost millions of dollars to the Crown and to the taxpayers. It costs millions and millions of dollars. Besides the Prime Minister to gain time said that he wanted to do it at the very beginning of his next mandate. But to wash his hands of the matter he simply appointed a commission which was called the Lortie commission. This Lortie commission cost a few million dollars.

It made many recommendations, particularly one on financing by the general public as the Prime Minister had asked it to do. It did not have any choice because the Prime Minister had publicly requested that. It being the case inevitably, Mr. Lortie, who was the chairman of this commission, had to comply with that request. Now we have Bill C-114, but unfortunately the part which seemed to have priority for the Prime Minister is not in it. It was completely left aside and here we are trying to deal with a few small amendments, though important indeed, which do not solve the basic problem which is the financing of political parties.

The referendum is not that far behind us. It was held last fall, in October. The Canada Elections Act was used to establish the rules for that October 1992 referendum. Just last night, on CBC if I am not mistaken, expenses for that referendum were made public. We could see that some of the big corporations and major banks in the yes camp, most of them English speaking, contributed up to $100,000 to the yes fund and we know that those corporations receive massive federal grants. I wonder if they were in any way pressed to make those contributions. The Royal Bank gave $100,000. It was the first one to try and scare Quebecers during the referendum.

We must settle the matter of political party financing by the general public so that democracy can be free of the influence of big corporations financed by the government. The Prime Minister said so in 1988.

Mr. Plamondon: Madam Speaker, so many things have been said on this amendment that I would like to have unanimous consent to speak to it once again.

Some hon. members: No.

Madam Deputy Speaker: There is no unanimous consent.

[*English*]

Is the House ready for the question?

Some hon. members: Question.

• (1320)

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

Motion No. 2 negatived.

Mr. Peter Milliken (Kingston and the Islands) moved:

Motion No. 3.

That Bill C-114 be amended in Clause 23 by striking out lines 35 to 39 at page 15 and substituting the following therefor:

"pealed."

Motion No. 4.

That Bill C-114 be amended in Clause 23 by striking out lines 38 and 39 at page 15 and substituting the following therefor:

"correctional institution as a result of a conviction and has been sentenced to five or more years in a correctional institution;".

He said: Madam Speaker, these two motions are really alternative motions. I have brought these amendments to this bill to allow the House the opportunity to express its views on whether or not inmates should be granted the right to vote.

As we no doubt are aware under the current law prisoners are denied the right to vote in the written part of section 51 of the Canada Elections Act. The words of the act that are relevant are:

The following persons are not qualified to vote at an election and shall not vote at an election:

(e) Every person undergoing punishment as an inmate in any penal institution for the commission of any offence.

There is a blanket ban under the current law on any inmate exercising the right to vote. That section of the Canada Elections Act was declared null and void by the courts under the Canadian Charter of Rights and Freedoms. The charter guarantees every citizen the right to vote and that right was taken away by this section of the Canada Elections Act. The courts concluded that imprisonment alone was not sufficient justification for striking down the right to vote and accordingly it struck down the section of the Canada Elections Act thereby restoring the right to vote to inmates in institutions.

During the referendum campaign that was just concluded, the right to vote was extended to inmates. In fact there was no civil insurrection or great problem because inmates exercised their franchise during the referendum campaign.

Inmates in institutions were able to vote only in the place where they actually resided, that is where their families reside or from where they had been sentenced. Residence in the institution in and of itself did not constitute residence for the purpose of determining where an inmate voted. Although there is a very large prison population, for example in Kingston and the Islands, only something like 119 inmates registered to vote in Kingston and the Islands.

In addition, inmates must apply to register. Many did not. Something like one-third of the inmates in Canada chose to register in the referendum. While it could be expected that more might register in the case of a general election, under the rules that were proposed they would vote only in the place where they live and not in the prison where they are residing at the time of their imprisonment.

The government established the Royal Commission on Electoral Reform and Party Financing which made a recommendation in respect of inmates voting. It recommended a double-barrelled test. It recommended that those serving a life sentence with a minimum of 10 or more years to be served not be allowed to vote, but all other inmates be granted the right to vote. The committee which was studying the report, of which I was a member, concluded that test was too broad or unsatisfactory in one way or another and came up with a slightly more detailed proposal which I will not go into. The government, when it received the committee report, rejected out of hand all the committee's recommendations. It came up with a proposal in Bill C-114 which denied the right to vote to every person who is imprisoned in a correctional institution serving a sentence of two years or more.

• (1325)

That disenfranchises every single inmate in a federal institution in Canada since in order to be sentenced to a federal prison inmates have to receive a sentence of two years or more. All other offenders who receive a lesser sentence spend their time in a provincial jail.

In the circumstances I feel this is harsh and unfair. Therefore I have proposed two amendments which were read to the House. The first would extend the right to vote to all inmates; the second would extend it to all inmates serving a sentence of five years or less. If they got five years or more then they would have no right to vote.

The five-year rule is designed to appeal to perhaps a wider segment of members in the House than the blanket lifting of the restriction would otherwise do. I suspect the first one might get defeated on a vote in the House; the second I would hope the government would see fit to support. Clearly if it does not, the motion is going to go down too.

I want to say something about my reason for proposing these amendments. The Canadian Charter of Rights and Freedoms, which is paramount in our legal structure and which creates certain rights for all citizens, does give the right to all citizens to vote. By sentencing a person to prison it is not the intent of the judge in imposing the sentence or indeed of the criminal law under which the sentence is rendered, to take away from that inmate his or her right of citizenship. Clearly it is a kind of punishment. That is why an inmate is sentenced to prison. It is not because the prisoner or accused person is being stripped of his or her citizenship.

If inmates in prisons are citizens and if we accept that our charter is the highest law in our country, then surely it follows that inmates in prison who are citizens ought to have the right to vote just as everyone else does. It does

not aid in the punishment that the person not have a right to vote.

I guess I would have to issue a challenge to the government to say how it is that by sentencing someone to prison we punish the person further by taking away the right to vote. It is a right that is a free right given in a democratic society. It is freely given in our society. While it may satisfy some innate sense of justice in some of us to think that prisoners ought to be deprived of the right to vote, it serves no useful purpose either in punishing the inmate or in the rehabilitation of the inmate, which after all is part of the aim of the imprisonment process.

We sentence inmates to a jail term in the hope that at the conclusion of the sentence they will be able to come out and establish themselves in a normal and law abiding way in the community. We do not sentence them to prison with the idea that when they come out they will be committing more crimes and sent back. That is not the aim. Sometimes it happens, I agree, but it is not the aim.

Surely if that is not the aim we ought to be careful to ensure that the steps taken in respect of a prisoner in terms of denial of rights and denial of responsibilities ought to be commensurate with the sentence. While it is easy to say that a sentence of two years or more justifies certain action, like being placed in a federal penitentiary, does it really help the case to then say in addition they are not going to be allowed to vote? Frankly I expect most inmates could not care less, but as a democratic society based on the rule of law, which has as its guiding principle the notion that every citizen has the right to vote, surely we should be thinking very hard before we deprive certain citizens of that right.

The purpose of these amendments is to ensure that the right is restored in a reasonable and sensible way and not in a way that allows mass voting of inmates in the places in which they are resident; that is in prisons. The voting will take place in prisons, but the votes will be cast in the constituency in which the inmate resided or in which his family resides at the time the vote is to be cast. I think that is a fair way of doing it.

I should point out that the system I have suggested in Motion No. 3, whereby all inmates would have the right to vote, is one that is followed in Italy, Norway, Sweden, Denmark, Ireland and Israel. In our own country in the provinces of Quebec and Newfoundland, inmates in institutions have the right to vote. Some of the provinces have gone far beyond what the government is proposing in Bill C-114.

I urge the government to consider adopting either Motion No. 3 or Motion No. 4 in amendment to this bill in order to widen the franchise and give the right to vote where it has been taken away, in my view unnecessarily and possibly unfairly.

• (1330)

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Madam Speaker, I think the hon. member for Kingston and the Islands raises a very important point. We want to try and liberalize the electoral base. In other words we want everyone to be able to vote. If rehabilitation of offenders is so important, why do we deprive them of the fundamental right to vote for the candidate of their choice in their respective ridings?

When I look at phase one of the bill I get the impression it is a diversion: a few goodies here and there, a few improvements. Meanwhile there is a tendency to overlook the principle involved, which is the citizen's right to elect his or her representative. Financing is another point. Yes, this is relevant. Will I have the right to go to a prison or penitentiary and ask to canvas an inmate? He has the right to vote so he has the right to be canvassed. Will I be able to hold a public meeting in the penitentiary or prison? In fact, during the referendum campaign in 1980 I personally went with the yes group to the prison in Hull to meet inmates who had the right to vote. We wanted to explain what the referendum was all about. In society today rehabilitation is part of a very desirable process. It means not cutting them off completely from the rest of the community just because they have committed an offence and have to serve a sentence. That is what we are doing here. Yesterday during Question Period there was a reference to increasing the per diem or allowance for inmates. There is something

inconsistent in all this. It does not make sense and it is totally unacceptable.

Incidentally, and we will discuss this later on, someone in California who has been living outside the country for number of years will be allowed to vote and an inmate who is in rehabilitation and will be released after serving his sentence will not have that right. There is something wrong here. I think we should go back to committee and examine this bill more thoroughly because we are creating a bias against a small, probably the most vulnerable sector of society. This is going to be quantified, it seems. Is it two years? If it is less than two years they will be able to vote. If they are sentenced to two years or more, if they are in the penitentiary and they have to serve more than ten years, they will not have the right to vote. If parole is granted and the inmate's sentence is reduced accordingly the inmate may be allowed to vote. A fellow inmate whose parole has not been approved will not be able to vote.

• (1335)

Madam Speaker, I know in your capacity as the Speaker you cannot endorse what I am saying because your role in this House is impartial and to listen to those of us who want to give this bill its full significance as a tool to truly renew and substantially improve the elections act.

When you start quantifying, prescribing distances and a given number of years— Take the case of someone who has been sentenced and is serving time in the penitentiary in Montreal or Kingston but under normal circumstances would have been voting in the electoral district of Hull—Aylmer. I guess that person will have to pre-register in order to be able to exercise that right.

How will that vote be posted? Will it be the same for Canadians residing outside of the country such as members of the Armed Forces who have the right to vote because they are serving outside the country under orders? At present when you are away on a trip you can register up to one week before the election date to be able to vote.

In the case of prisoners, it is quite a big clause, although a high percentage of them are so disappointed with governments that they will probably be the first ones to ignore them come an election. But that is beside the point. What we must bear in mind is that the right to vote is a democratic right that cannot be violated if we are truly seeking to extend it to all Canadian men and women.

In that respect, the amendment put forward by my hon. friend from Kingston and the Islands is an improvement, an improvement that the government does not seem to want to take into consideration. Had the government agreed to take it under consideration in committee, it would simply have been incorporated. A change would have been made. A reciprocal agreement would have intervened between political formations and we would know that it is acceptable.

Instead, we will not even get to vote on this today. It will be agreed to on division because several of our colleagues are already back in their ridings. Some left last night, others this morning. There are only a few members left in this House to pass this major piece of legislation.

I cannot consent to that.

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I am delighted to take part in the debate at report stage of Bill C-114, an act to amend the Canada Elections Act, as reported with amendments by the Special Committee on Electoral Reform.

Specifically I would like to indicate at the outset that I support Motions No. 3 and No. 4 moved by my Liberal colleague from Kingston and the Islands. I would like to say that indeed it is a source of pride that we are going through this process of electoral reform of democracy.

I would like to quote from the report by the Royal Commission on Electoral Reform and Party Financing. It says: "The Canada Elections Act and other legislation encompass fundamental democratic rights, the obligations and duties of election officers and officials and the basic rules of electoral competition and access to elected office. Legislation affecting this matter goes to the very heart of the democratic process".

• (1340)

I would like to repeat and underscore that it goes to the very heart of the democratic process. Parliamentary initiatives such as reforming electoral democracy,

chaired by Mr. Lortie, are laudable and can be a source of pride for all of us.

Allow me at this juncture to share another source of pride from my constituency of Winnipeg North. Recently I was reading one of the community newspapers. There was a tribute given by the Filipino Canadian community in my city to two young women, Angela Jill Guingcangco and Ma-Anne Dioniso, who played the leading roles of young Cosette and young Eponine last year in *Les Miserables*. These young women are sources of pride. I would like to explain how this is related to debate on the motion before us.

I do not want to boast but today I cannot help myself. At the end of May the new Princess of Wales Theatre in Toronto will open its curtain to the $12 million production of *Miss Saigon*. Stepping onto the stage in the lead role is Ma-Anne Dioniso, one of my constituents.

Madam Deputy Speaker: If the hon. member will allow me, I wonder what this has to do with Motions Nos. 3 and 4, even though I am quite enthused with the Canadian production of *Miss Saigon*. I am really wondering what this has to do with allowing people in penal institutions to vote or not.

The hon. member may want to explain. Maybe the Speaker lacks the knowledge of the voting procedure in show business, but after 30 years I doubt it. Please explain what this has to do with Motions Nos. 3 or 4.

Mr. Pagtakhan: Madam Speaker, I will get to that. I hope the Speaker will not begrudge me the chance to make the connection. I will do that at the end, if you will bear with me.

Ma-Anne is the pride of the Filipino community of Winnipeg and the toast of the city. Over 1,000 women auditioned for parts in *Miss Saigon*. This lady captured the title role, impressing Mirvish Productions with her powerful voice, dynamism and talent. The rising star was discovered in a talent contest hosted by President Tony Carta of CKJS-Radio. Since then there has been no stopping her.

I urge all members of Parliament to have some patience and to see the pride of Winnipeg who will be doing eight shows a week for the next two years in Toronto. Then I hope they will make a Canadian tour and bring her back home to Winnipeg to the people who love her so dearly.

Madam Speaker, I can see you are a little bit upset. Perhaps you cannot wait—

Madam Deputy Speaker: I am not upset. I am trying so very hard to understand who in that illustrious cast is or could be in a penal institution and henceforth allowed or not allowed to vote in the next election. This is not being upset. It is just trying to make sense of it all, even though the hon. member stayed on his feet while I was on mine.

Mr. Pagtakhan: Madam Speaker, it never entered into my imagination that a woman like this, of great talents, would ever go to a penal institution. It never did.

Yes, I understand and I understand members on the government side. I will read from this summary of government achievements. It covers 1984-93 and is from the Library of Parliament.

Mrs. Sparrow: Get with it, Rey. Today we are living in 1993 and we are talking about penal institutions.

Mr. Pagtakhan: Madam Speaker, do we not have the freedom of speech to connect at the end?

I do not want to test the patience of the House. I will just indicate that I support the two motions and I defer to the Chair.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, I just want to state we will support the extension of Motion No. 4 to five years.

• (1345)

We believe a charter challenge of two years would probably be upheld, but a challenge against the five years would be less likely.

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, I heard the explanation of the two amendments by my colleague, the member for Kingston and the Islands. I find myself in a predicament here because that member has been one of the leading workers and members on this committee. Of course the Lortie commission also made certain recommendations. The bill we have does not quite conform to either the Lortie commission or what the hon. member for Kingston and the Islands has set out in his amendments.

I agree with the member for Hull—Aylmer who spoke earlier and had some discussion with the government

House leader. This is the electoral reform bill that affects all members and actually affects all people who are going to vote. It is really a fairly important piece of legislation.

I understand, in part, many of the problems a House leader has. I was in opposition for many years and frankly found Friday afternoons pretty enjoyable. A rainbow of bills came before the House. The then government House leader, whoever he may have been, found that with few members around it was easier to get legislation through. I guess that is one of the reasons we are debating this very important bill. The fact that the Easter break is almost upon us results in even fewer members here on a Friday afternoon.

I certainly believe some of these matters should get a vote in the House so members can put their votes where they say their ideologies or mouths are in terms of the rights of prisoners.

Perhaps this gets into this very new world. I do not have the knowledge of my hon. friend for Kingston and the Islands. I understand the Charter of Rights and Freedoms and used to be a practising lawyer, but as I read through the Lortie commission report and heard my friend from Kingston and the Islands today on the amendments, I found myself more in agreement with the way the government has presented these provisions in the bill.

Frankly some of my difficulty is the fact that when a person commits a crime and is sentenced to one of our institutions I think certain rights are suspended. The right to vote is there as long as the person has not committed an injury to the state, but it is in a state of suspension and the person is isolated, interned, incarcerated.

Some people such as Clifford Olson—and I do not think we are talking about him today because there are time limits involved in this amendment—have committed heinous crimes. I just cannot get excited about such people losing their rights to vote for the period they are incarcerated. If there is an election there are all the problems of organizing polls and giving those people the right to vote. I think all Canadians should know that if people commit crimes they are going to have to face certain consequences, and one of the consequences is that they are going to be in jail and will not have the right to vote.

I think the government bill and these sections are a happy compromise between the Lortie commission and certainly what my friend for Kingston and the Islands would like, but I can understand from whence he is coming.

I am glad to see the government House leader in the House. I do not want to be difficult and I am glad that hopefully there will be a chance for members to vote, at least at third reading, so this matter will receive the imprint of members. My colleague in the Bloc Quebecois, the member for Richelieu, spoke earlier today. While his remarks might not have been quite relevant, they were certainly a little more relevant than Miss Saigon from Winnipeg, with all due respect to the hard working member from Winnipeg who is one of the more conscientious members of this House.

• (1350)

There are some very large issues here. Apart from the rights of prisoners and the rights of society, I think this is the perfect illustration where we need a balance. I think the government has struck a happier balance in this bill in terms of what society believes than the Lortie commission and the amendments of my hon. friend.

This brings me back to what I said earlier. I frankly cannot accept the fact that the government bill is moving on prisoners, lunatics and those in hospitals and has not done anything about the rights of Independent members of this House of Commons like myself and others to my left who have declared for a certain party. There is no doubt that in an election they will have more than 50 candidates and therefore will automatically qualify to be a registered party. Of course, in an election we are all in the same boat. Once the writ is issued we can issue receipts.

I find it really difficult. I am trying to be as reasonable as I can so that we can cover all these other areas and extend rights or modify rights to different classes, yet the committee and/or bill does not reflect any redress of what I have been writing to the government House leader about for the last three years.

I know the government House leader was being frank and objective earlier, but I have checked with some people in the lobby about the draft committee report in the second phase. It does address part of the problem of Independents in the sense that any surplus moneys left over will go back to that Independent candidate through

the Receiver General and not just go back to the Consolidated Revenue Fund.

This is a technical matter that does not excite too many people, but it is just another area of discrimination against Independent members and members of registered parties. My point is not so much that. I am glad there is a little movement there, but I have seen nothing in the draft report about Independent candidates and especially members of Parliament. I understand the problem about Independents at large. Independents could sprout like mushrooms from coast to to coast, and then what kind of control or accountability would they have?

It is a very simple amendment that takes care in principle of the problem of an Independent member sitting in this House who wants to be put in the same position as the member for Kent who can give a tax receipt for a donation from a good citizen. I am all for it. I voted for the bill many years ago but I cannot because I am an Independent.

The Chief Electoral Officer, Mr. Kingsley, an honourable Canadian, is going to oversee all the operations when the writ is issued. All it takes is a little amendment to put the Independent member of Parliament in the same position as other members. I am not talking about putative Independents who may or may not arise from the territory east or west, but people in this House are under some obligation to have accountability so the Chief Electoral Officer can be in the same position with that Independent member who has declared to be an Independent as he is going to be once the writ is issued.

This is why I find it very difficult. Of course that leads me to the larger issue which is really not relevant to this amendment. The Lortie commission is fine. I said earlier that I have the highest respect for the way Mr. Lortie conducted that commission. He was kind enough to invite me to appear at one symposium and I gave a brief before it.

The difficulty with the Lortie commission, and this is one of the great ironies about the debate, is that it understandably helped crystallize even stronger party organization, party rule, party discipline and the whole structure of parties. We all know political parties are rather fundamental.

As other members have said, it is sort of ironic that the Lortie commission is centred on that and yet the public at large has never been more dissatisfied with parties, be they Liberal, Conservative, NDP, Rhinoceros, Green or Bloc Quebecois.

• (1355)

The public has a very real problem with parties. Yet the commission helps to bring parties together. It is ironic that the core of parties I believe is getting smaller and smaller. The uncommitted block of voters is becoming larger and larger.

We come back to the prisoners. I cannot get too excited about extending too many rights to people who have insulted the society that is supposed to give them the right. I like the government bill better than I like the amendments of my colleague, the member for Kingston and the Islands.

Mr. John Reimer (Kitchener): Madam Speaker, I would like to say a few things on these motions that talk about the right to vote for those in federal penal institutions.

The member for Kingston and the Islands who has proposed the amendments has taken us through some of the history of what the Supreme Court did to section 51 of the present elections act. He also reviewed what the electoral commission recommended, that those with a prison term of more than 10 years would be denied the right to vote.

This bill recommends two years. That means that everyone in a federal penal institution would lose the right to vote. The motion tries to strike a balance, half way between what this bill is recommending and the 10 years. Therefore, put it at five years.

I would like to say something about the arguments that the member used. He used primarily two arguments. The member stressed the fact that the Charter of Rights and Freedoms says that all citizens have the right to vote. That is correct.

The member went on to say that people imprisoned in a federal institution do not lose their citizenship. That is correct. However, they do lose other rights that are in the charter. They lose the obvious right to mobility which is in the charter. They cannot move around. They cannot take up residence. They have to stay in that prison. Therefore, they have lost that right.

They also lose the right to freedom or liberty which all the rest of the citizens of Canada have. That person is deprived of the right to liberty and is now locked up for a

period of time in prison. Therefore they lose other rights.

The member is saying that since they do not lose their citizenship, why are we taking away the right to vote? He is ignoring the fact that they lose the right to mobility, to liberty and other things.

The second reason why prisoners should have the right to vote is that some provinces give people in provincial penal institutions the right to vote. Some other countries do as well.

Some other countries do some weird and wonderful things. Just because they do them does not mean we have to copy them. In fact I am glad we do not copy everything that all other countries do. Therefore, that is not a good argument.

Some provinces do some things. I am glad that we do not copy everything that the socialist republic of Ontario is doing. The same is true for Saskatchewan and British Columbia. Just because some provinces do some things does not mean we should do them.

I fail to see what the arguments are. I would submit that when a person commits a crime, is convicted and is then sentenced into a federal penal institution, which means more than two years, they should lose their right to vote. Common sense would dictate that.

Is it not common sense to say: Now you have lost the normal democratic rights of liberty, mobility and freedom to vote. Until you have served that time and are out of prison, you lose those rights. One of those privileges is the right to vote.

The argument in favour of what the government is saying as to why everyone in a federal penal institution should lose their right to vote is simple common sense. They chose to act against society. They now suffer the consequences which means denial of freedom. One of the aspects of denial of freedom, to move around and be at liberty is they have lost the right to vote.

• (1400)

Simple common sense tells us they have lost the privileges of free, responsible citizens for a fixed period of time. One of those privileges is the right to vote. Therefore I am glad to support what the government is saying, that a person in a federal penal institution should not have the right to vote. I think that simple common sense tells us that is the right way to go.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Madam Speaker, I am pleased to take part in the debate on Motions Nos. 3 and 4. First of all, I want to congratulate the hon. member for Kingston and the Islands for proposing these amendments. He seems to be more in touch with reality than the Conservative member who spoke to these amendments.

The Conservative member said that a person who commits a crime and is sentenced to a prison term of more than two years should lose all his or her democratic rights, including the right to vote. He must be very unhappy to sit on the Conservative side since several of his colleagues may soon lose that right.

Let us talk about the Charter of Rights and Freedoms. Does it limit the right of a person to vote because of something that he or she may have done at some point in his or her life? For example, an inmate in an isolated moment of violence may have committed a crime. An inmate at some point in his life when he was young—we know that some leadership candidates admit to smoking drugs in their early years—Had they been caught then they would have been liable to a three-year jail sentence. In 1970, some people were sentenced to three years in prison just for possession of marijuana. Today those leadership hopefuls say that what they did is insignificant, that it belongs to the past and that it is not serious, and I admit that it is not serious, but it was considered serious then. Some people went to jail for that in those days. What would have happened if those candidates to the leadership of the Conservative Party had been caught and sentenced to three years in jail? They would have lost their right to vote during that period.

These leadership candidates would have lost their right to vote because they would have been sentenced or imprisoned. That is common sense.

The charter of rights is not there to pass judgment on people. It is there to protect their historic rights to live in a democratic society and to assert even more their rights to live in a democracy. To live in democracy one has to be able to elect members of Parliament by voting for the candidate of his or her choice. That is what democracy is all about, to be able to cast a vote every four or five years

at the municipal, provincial or federal levels. The inmates who are longing to get back to live as everybody else, out of prison, would not have the right to vote during that period of reflection imposed to them inside the walls, during that period of repentance asked of them. For the most part, since 90 per cent do not commit subsequent offences after coming out of prison they recognize their mistake. When they are sentenced they already feel the pain of being separated from their family, their friends and their children. And those people, in prison, would not have the right to think about the political future of their country by losing their right to vote? What a mistake. Even though they are in prison, they still have the right to think of their children, to feel love for their wife or husband and to aspire to a better future for them.

• (1405)

And how can they provide such a better future? Often, by changing the government and being able to vote, even for another candidate. I argue not for their privileges in prison but for respecting them as intelligent people who have done wrong but that does not prevent them from desiring what is good for their families, their regions and their communities.

In that regard I think it is even frivolous to have such a debate. Would we dare to sit in judgement of those who have done wrong? Who among us can cast the first stone? No one can cast the first stone. It is said that a guilty verdict is found for only about 10 per cent of crimes. They go to prison but the others still vote anyway. Those people who pay for their crime by being deprived of their freedom would no longer have the right to vote in a democratic election. There is something wrong with that.

I do not understand the Conservative Party's attitude and the silence in this debate of Quebecers in the Conservative Party, like the member for Gaspé, for example. He is a man of great insight. He was awarded the Order of Canada, is a psychologist, a thoughtful man, who could so well understand what the prisoners feel when they are in jail. I am sure that he feels like telling them how much he hopes that they get the right to vote, but is he being held back by the party? That right to vote should never be trampled on, as the Conservative member who spoke before me says or as his party says.

There is something wrong in the kind of vision in this proposed reform, which is continually limiting democracy, democratic activity, the formation of political parties as in Motion No. 2 just now, and the ability of independents to run, since their fees would be increased. It would limit prisoners' rights as though they were perpetual outcasts from society and did not deserve consideration because they had made a mistake. What sort of government do we have? What vision do we have? This government is lost when it comes to the economy and it has been completely rejected by the people on the Constitution.

Today it presents us with its new vision of electoral reform which is behind the times. It is not forward–looking but a setback, a major setback. Five days before the election the Prime Minister said that the important thing in the reform is the financing of political parties. What is he presenting instead? The government presents mini reforms, minor amendments to limit prisoners' right to vote, to limit the existence of political parties, to limit the ability of independents to speak out. The effect would be to keep only three privileged parties in the House, three parties which have plotted together on the reforms, which plotted during the referendum and which are now plotting to have a mini reform instead of a real reform of the elections act. This party's vision is to protect the privileged. That is it. They want to protect the privileged and to keep some people who have something against the system and have a different vision from theirs from voting.

A government which is closed to democracy is doomed, condemned to a resounding defeat which it will deserve, of course. However, I feel sorry for my friend, the minister, who is pointing his finger at me. I would never dare take the floor from him and I would appreciate it if he acted the same way toward me. The hon. member for Gaspé is looking at me and is covered with shame because we are depriving our prisoners of the right to vote, because we would like to take away their right to vote if they have been sentenced to more than two years in prison. Certainly with his great psychologist talents, the hon. member for Gaspé must have comforted several Conservative members who are presently scared of spending more than two years in prison for

their actions. Of course, he will be very useful to his party in that respect. After the defeat, with the pensions they will receive, they will also be able to reflect on their sins and feel sorry for not having taken part—

• (1410)

Madam Deputy Speaker: The hon. member's time has expired.

Mr. Plamondon: Are my 10 minutes already expired, Madam Speaker?

Madam Deputy Speaker: The 10 minutes that were allowed are expired.

[*English*]

Mr. Andre: Madam Speaker, I would like to move, pursuant to Standing Order 26(1), that the House continue to sit beyond the normal hour of adjournment for the purpose of continuing consideration of Bill C-114, an act to amend the Canada Elections Act.

[*Translation*]

Madam Deputy Speaker: Would those members who object to the motion please rise in their places.

And fewer than 15 members having risen:

Madam Deputy Speaker: Fewer than 15 members having risen, pursuant to Standing Order 26(2), the motion is deemed to have been adopted.

Mr. Nic Leblanc (Longueuil): Madam Speaker, I want to thank the hon. member for Kingston and the Islands for the amendment he moved to this most undemocratic bill, a bill that limits the freedom of speech, particularly for prisoners.

It is completely unacceptable to deprive of the right to vote inmates who have been sentenced to more than two years in prison. Taking this right away from a group of citizens reflects an excessive conservatism or liberalism. The main freedom we can have in a country such as ours is the opportunity to decide every four to five years how our country is to be run and how we are going to secure a better quality of life.

Obviously punishment has already been meted out to prisoners but they will be free again some day. They have to keep exercising their rights since most of them will not be in prison for the rest of their life. They need their freedom of speech because when they come out of prison they will have to live in a society that will have changed. Without the right to vote they may not want to be part of a society which has changed so much.

• (1415)

It seems to me that someone should have the right to vote even if he was sentenced to more than two years in prison because, and I say it again, it is strictly what society wants, the right to express oneself and to change some rules in a country where we advocate the well-being of people.

There is another reason I agree with the proposal. One day that prisoner will get out of prison. I know it because I have a halfway house in my riding. A prisoner who gets out of prison can go to that house in order to re-learn how to live in society. A prisoner who spent 10, 15 or 20 years in prison is totally out of touch with the reality of life when he gets out.

The hon. member for Gaspé, who is a psychologist, should understand very well the difficulties of a prisoner who enters that new life, after spending 10 or 15 years in prison.

In Longueuil, we have a halfway house. Once in a while an ex-prisoner comes and tells me how difficult it is to be back in the real world, how difficult it is to deal with financial institutions, to learn about all the changes in society. Nowadays a generation is only five years. It used to be 10 or 15 years. To call it a new generation there has to be enough changes and now it happens after five years. Our society is changing so fast that if one is away for five years reintegration is difficult. That is the reason why rehabilitation of former inmates is so difficult even after just five years.

I say that inmates should have the right to vote because such a right would keep them in contact with society, would keep them interested. They can then listen to what is going on outside, especially in politics. They can feel that they are still somehow part of society. The day they come out may be sooner than they expected, thanks to our parole system. Rehabilitation might be faster.

I think that is a very good reason to support this proposal giving inmates the right to vote.

There is no doubt that if you consider that uncaringly, without a broad perspective, the way the Conservative member did a moment ago—and he is a real Conservative, very shortsighted—then you think that the inmate has been sentenced and must be punished. I agree that he has to be punished if he committed a crime or if he is a threat to society. At the same time we have to recognize that the inmate has the right to remain in touch with society. Otherwise, the day he comes out he will be lost and if he cannot find an answer to his problems in this society he will become a repeat offender.

• (1420)

The other important point is that this person will probably be caught committing a subsequent offence because he will find no other way of adapting to that society. We all know what the costs of prisoner rehabilitation are for government. It is very expensive, but it is also socially disturbing because these people have difficulty fitting in and they risk, as I mentioned before, going astray again and being sent back to prison.

In such a case, you know what the costs are. I was told it costs approximately $60,000 a year to keep an inmate in prison. Therefore, think about the cost of a second offender, the transition cost for someone who gave up on society. You must take into account the fact that this amendment, which gives a prisoner the right to vote, will also allow that individual, on the one hand, to keep in touch with society, to stay interested in what is going on, and on the other hand, to exercise his freedom of speech. For example if human rights are threatened inside the prison he will have the opportunity to express himself freely on that matter if he has the right to vote. That is why I feel it is important that this amendment be passed for all the reasons I just mentioned.

[*English*]

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: The first question is on Motion No. 3. An affirmative vote on Motion No. 3 will obviate the need for a vote on Motion No. 4. A negative vote on Motion No. 3 will require a vote on Motion No. 4.

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

Mr. Plamondon: I rise on a point of order. There is no quorum.

Madam Deputy Speaker: The question had been started to be put. There is no quorum call at this time.

All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

Motion No. 3 negatived.

Madam Deputy Speaker: The next question is on Motion No. 4.

[*Translation*]

Mr. Plamondon: I rise on a point of order, Madam Speaker. I would like to point out that we do not have quorum.

The bells having rung, and the count having been taken:

Madam Deputy Speaker: There being enough members in the House we now have quorum.

• (1425)

[*English*]

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay

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

Some hon. members: On division.

Motion No. 4 negatived.

Government Orders

Mr. Stan J. Hovdebo (Saskatoon—Humboldt) moved:

Motion No. 8

That Bill C-114 be amended in Clause 29 by striking out lines 27 and 28 at page 17 and substituting the following therefor:

"by the person on a temporary basis, unless that person has no"

Motion No. 10

That Bill C-114 be amended in Clause 29 by adding immediately after line 40 at page 17 the following:

(4) The provisions of section 59 of the Act shall not apply for interpreting this section."

He said: Madam Speaker, in both Motions Nos. 8 and 10 the attempt is to accommodate the large number of people in some cities who are homeless and consequently do not have a residence and who still should have the right to vote. Motion No. 10 would eliminate the 10-day requirement.

They are both intended to increase the opportunity of people in the situation of being homeless to vote.

Madam Deputy Speaker: The first question is on Motion No. 8.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay

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

Some hon. members: On division.

Motion No. 8 negatived.

[*Translation*]

Mr. Plamondon: I rise on a point of order, Madam Speaker.

I acknowledge that you have the right to say I did not rise when I should have; you are the Speaker. I would like to let you know, in case I do not rise fast enough because I have not heard the French translation when the motion is proposed in English, that I intend to speak on all the other points, should such a misunderstanding occur again.

I acknowledge and accept your decision, Madam Speaker, even though it seems rather strict to me. As far as all the other points are concerned, I inform you now that I intend to speak on each and every amendment.

Madam Deputy Speaker: I thank the member for Richelieu. To make things easier for him, I could perhaps tell him that when we say debate in English it means *débat* in French. The words debate and *débat* are quite similar, are they not? And if nobody rises, then we keep on going.

The next question is on Motion No. 10.

[*English*]

All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

Motion No. 10 negatived.

• (1430)

Mr. Peter Milliken (Kingston and the Islands) moved:

Motion No. 11.

That Bill C-114 be amended in Clause 34 by striking out line 1 at page 33 and substituting the following therefor:

"(3) Paragraphs 77(1)(*c*) and (*d*) of the said act are".

He said: Madam Speaker, this amendment to the act is to change section 77. Under section 77 as it is now there are certain persons who are declared to be ineligible to be candidates in a general election. The act provides

that: "Every person who is a member of a legislature of a province during the time he is such a member is disqualified from being a candidate at an election".

The Royal Commission on Electoral Reform and Party Financing recommended that this restriction be done away with. The committee of the House that was appointed by the House to study this issue unanimously recommended that this prohibition be done away with. Yet the government decided to put the jackboots to the committee report, pretended that the committee had not reported this recommendation, and struck that provision out of the bill.

The purpose of this amendment is to put it back into the bill and allow members of provincial legislatures to run for public office, for this House of Commons. They will have to resign their seats if they are elected to the House but they would be eligible to be candidates for this House and retain their seats until elected, just as a mayor of a municipality is, a counsellor or alderperson on a municipal council is, and the reeve of a township is. All these people are entitled to run for Parliament and retain their offices until elected, but members of the provincial legislature are not allowed to do so.

The commission and the committee agreed that this was an anomaly in the law. The purpose of this amendment is to remove that anomaly. That is a brief explanation. I think the amendment makes sense. If it were not so close to an election I think even the government would agree that it makes sense. However I suspect that given the unpopularity of the government there are no members of provincial legislatures who want to run for federal office for it. Therefore the government figures it might as well cut them all out because anybody with any sense who is in a provincial legislature would not run as a Tory candidate but would be running as a Liberal candidate or as a candidate of some other party, most likely as a Liberal.

That is the reason that the government did not agree with this amendment. It is perfectly clear to me, and I am sure it is clear to the hon. member who is making such a noise from her seat because if it was not she would be silent.

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, this time I find myself in complete agreement with my colleague from Kingston and the Islands. I would only add that these people, while they may not run as candidates, are still going to have a vote under this act. No matter what the polls are or what the party standings are it is not going to really do much to change the results, assuming the candidate votes for himself or herself.

It would be interesting to have an explanation from the government side as to why it did not follow the Lortie commission and/or the committee report on something that seems on the face of it to be so sensible. That is what I would hope we might have in the sense that this place is supposed to be a Parliament, a place in which we are supposed to debate. It would be a very interesting to find out why the government did not follow those two recommendations.

The explanation by the hon. member for Kingston and the Islands makes very good sense. I think we should support it and get on with further amendments.

• (1435)

[*Translation*]

Madam Deputy Speaker: Resuming debate, the hon. member for Richelieu.

Mr. Louis Plamondon (Richelieu): I thank you Madam Speaker for recognizing me so rapidly and with so much kindness in the eyes.

Madam Deputy Speaker: It is true that the hon. member put on his glasses but I am touched and delighted that he could see generosity in my eyes from such a distance. I will recognize him without delay. The hon. member for Richelieu.

Mr. Plamondon: This is too much. I thank you, Madam Speaker. You are making me ill at ease. However, Madam Speaker, you are right; what I was referring to is more the nod of your head than the approval you expressed with your eyes.

I would like to speak on that amendment. The member for Saint-Maurice wants me to open my arms and preach but you know how much I prefer substance to gesture.

This amendment is similar to the others; again, it limits the opportunity to become a candidate. I am surprised that an electoral reform, which was described as the most important measure, because five days before the election, the prime minister said that electoral reform will be our most important measure and we will

implement it at the very beginning of our mandate. We are now at the end of that mandate and they are presenting minimal reform, a small reform with a leitmotiv: restrict the voting rights, the number of candidates and the number of political parties. They are afraid to lose and they want to pass legislation in order to buy votes. But not to worry; the people of Canada cannot be bought and will send them all packing.

Mr. Ricard: Are you shooting a video, Louis?

Mr. Plamondon: This is so undignified for a government member to prevent an opposition member from speaking his mind. Again it shows how their behaviour in the House is a perfect reflection of the behaviour behind this reform. This reform limits the number of parties by requiring a minimum deposit of $1,000; it limits the rights of prisoners to vote; it limits the possibilities for any member of a provincial assembly to become a candidate. Why all these restrictions? Why not let democracy prevail? Because you do not live by it, you do not understand what it is and you want to stay in office. Those are the reasons you are hiding from us.

And you Quebec Tories should be ashamed of yourselves; you should follow in the steps of great democrats like René Lévesque who did reform political parties, who did implement an electoral reform based on grass roots financing, who did it by giving the right to vote to everyone in Quebec, even allowing those who were away during an election to vote. That is what you are doing wrong. You should stand up today and defend that way of thinking, the Quebec way. That is why the Bloc Quebecois is so essential, because you are not doing your job. We had to form a political party and come here to defend Quebec's higher interests. And those interests are telling me I should say yes, the prisoners should have the right to vote; they are telling me I should say no one can limit the number of political parties nor limit or control democracy with money, as Justice Michaud said in his decision on the Libman case, nor limit the right for members of other assemblies to become candidates. By refusing our colleague's amendment you are trying to keep men and women from becoming candidates for a political party because you are afraid and that is a totally undemocratic gesture.

Let's take an example. There are, in certain provinces like Ontario and Quebec, members of the provincial assembly. They play a role as important as that of the federal members of Parliament. But in smaller provinces, Prince Edward Island for example, where there are 32 MLAs for a territory and a population the size of my riding, evidently the four federal members have much more visibility.

• (1440)

Of course, they have much more visibility. And we should let those people who sit in a provincial legislature be candidates in a federal election without having to resign. Thus, the mayors of Sorel or Nicolet or Bécancourt should not have to resign if they wanted to be candidates in your ridings. It is the same thing.

But no. Again, the government takes away the rights of these citizens who are members of a provincial legislature by keeping them from being candidates. That is why the amendment of the Liberal member is fair, honest and right. It is a good suggestion. We must rise above partisanship and not behave like the member for Saint-Maurice, the member for Laval, the minister opposite from Quebec, and the member for Lotbinière, who feel like prisoners of their party and are yesmen until the leadership race, until the election, and who will commit mass suicide when the election comes.

It is tragic to see such a lack of responsibility a lack of support for the sacred interests of Quebec when we talk about the constitution, about education, about job training. When we talk about election renewal we see them totally withdraw from the debate. It is intolerable. It is surprising, very surprising.

You were elected on a wave of Quebec nationalism. You were elected, remember, thanks to the famous speech in Sept-Îles. That speech was one that won over the nationalists. Which speech will you have to explain your silence today? Which speech will you have? You will have none nor will you have any vote. That is why you will be sent packing.

You betrayed as much as the former Liberal members who used to be called the 74 wimps. Remember in those days the 74 wimps of Quebec, between 1981 and 1985, who repatriated the Constitution without the approval of Quebec. They were all sent home and you will too because you too decided to serve the interests of your

party before serving those of your country. That is what awaits you.

In that sense the amendment which is moved could only serve Quebec's interests, and you keep silent.

The people who are king and master and whose democratic prerogative and freedom to vote you try today to restrain by all kinds of means will prevail. They will not be influenced by your money or by the conditions you want to impose to stop the democratic process.

They will not be influenced just as they were not during the last referendum when you, members from Quebec, tried to force Quebecers to accept an immoral and antidemocratic deal which went completely against Quebec's needs and against the mandate they gave you when they elected you.

Why do you not speak up today? Why do you not rise in the House to say you do not serve a party any more? You serve your homeland, Quebec. You want to turn toward the future with Quebec. You want democracy to express itself throughout Quebec and you will not allow it to be curtailed as they try to do with this bill which is a band-aid reform instead of being a real one which deals with real problems.

The real problem is the financing of political parties and you are hiding behind the multinational companies and the big financiers who in turn are hanging on to your coat-tails to obtain privileges.

Instead of serving the community's interests you prefer to serve the wealthy minorities and because of that attitude at the next election we from the Bloc Quebecois will not fail to remind you what you did.

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I would like to continue exactly in the same vein as my hon. friend

An hon. member: No, do not say the same thing. At least speak English.

Mr. Leblanc (Longueuil): No, I will not speak English because the vast majority of Quebecers do not speak English and I want them to understand me well.

An hon. member: I am not sure of that.

Mr. Leblanc (Longueuil): Too often we have heard French-speaking members from Quebec speak English here in the House of Commons when they did not want Quebecers to understand what they were saying. So, dear colleagues from Quebec, allow me to express myself in French since 95 per cent of Quebecers speak French and some 60 per cent of Quebecers do not even speak English. I am going to speak French to make sure they really understand that this Tory government is anti-democratic.

• (1445)

This is an anti-democratic government who, with this bill, is once again determined to prevent a mayor or a member of the National Assembly to become a member of Parliament. We have very competent mayors and MPP's in Quebec who want to be candidates in the federal election and they will be prevented from doing it if this bill is passed because—

Mr. Ricard: Are you talking about candidates?

Mr. Leblanc (Longueuil): Yes, candidates.

Mr. Ricard: So we are not talking about members of Parliament.

Mr. Leblanc (Longueuil): I do not know if the hon. member for Laval-West has seen it, but under this bill a member of the National Assembly of Quebec or a mayor cannot run in a federal election.

Right now a mayor or a member of the National Assembly does have the right to run for a seat in Ottawa. They will have to quit their jobs however if they are elected. There is quite a distinction to be made. They now have the privilege to enter the race while carrying on their duties as mayor or MPP in Quebec or any other province and keeping the salaries and the perks they enjoy.

They have the means and the flexibility to do both at the same time. Under this bill, as soon as they decide to run in a federal election, they will have to quit their jobs. One has to wonder what gives us the right to place these conditions on them even before they win. Running in an election requires enough sacrifices as it is.

Politicians who have been members of the National Assembly of Quebec for some years are probably the best persons to represent Quebecers here in Ottawa. Because of their previous experience they understand the interests of Quebec, like the hon. member for Hull—Aylmer, who was a cabinet minister in Quebec. The hon. member for Hull—Aylmer would not have

been able to run without quitting his job first. Can you imagine the impact this will have, Mr. Speaker?

What is also disappointing in this bill is the fact that the prime minister had promised a complete reform of the legislation on party financing. In November 17, 1988, he said: "I will undertake a full reform, especially of party financing". He said that conflicts of interests could occur under the present legislation. However, the bill being introduced by the government does not take into consideration this crucial part of the electoral reform bill.

I do not understand why the Liberal Party and the NDP seem ready to support this bill with no cry of division. They do propose some amendments but without really opposing the bill. The Liberal Party and the NDP look like they are ready to let the big corporations and unions finance their own party, which goes against everything democracy stands for.

• (1450)

In the last referendum we saw big corporations like the Royal Bank donate $100,000 to the Yes fund. The Association des sociétés de recherches sur les médicaments, a major research company, contributed $241,000 to the Yes fund. This is supposed to be democratic. All kinds of subliminal messages were broadcast on TV to scare Quebecers about what would happen if Quebec separates. The referendum, and especially the Yes group, was financed by the big corporations and today, the House is considering some parliamentary reform measures—a mini reform, as the hon. member said—which completely ignore what should be the basis of this reform. This is totally unacceptable.

That is why today, we in the Bloc Quebecois are taking so much time. Conservative and Liberal members from Quebec must be familiar with the Quebec principle of individual financing. In other words, only individuals who have the right to vote also have the right to contribute to political parties. I think that makes sense. This is the only way to ensure that a country is democratic and that it is not influenced either by financial interests or the big unions. I think that is the way it should be but members who we can assume are here to defend the interests of Quebec have completely forgotten what Quebecers want.

We had the Bélanger–Campeau commission, the most important exercise in Quebec's history. The commission whose membership reflected all segments of Quebec society asked the people of Quebec and the government and members representing them here in Ottawa and in Quebec City for 22 or 23 real powers, otherwise Quebec would have to go for sovereignty. That is in the report of a commission with members from every walk of life in Quebec. The report says that if we do not have those necessary powers we will have to be sovereign. Otherwise we cannot develop our full potential. What did Conservative and Liberal members from Quebec here in Ottawa do? They went against the will of Quebecers. Today they claim they still legitimately represent Quebecers in Ottawa.

Federalist members who still claim to be their legitimate representatives here in Ottawa are deceiving the people of Quebec. They have betrayed Quebecers. They want to betray them again by asking for the right to represent them here in Ottawa while they worked against them during the last referendum campaign. That is intolerable. Today I want to ask Quebecers to remember their motto: *Je me souviens.* I hope they will remember that the Conservative and Liberal members of this House worked against the wishes of the people, against what they asked them to do through the Bélanger–Campeau Commission.

Once again I hope that here in Ottawa there will be an end to adopting unfair and undemocratic measures which undermine the interests of Quebecers.

Mr. Plamondon: Mr. Speaker, I rise on a point of order. We cannot go on with this debate because there is no quorum.

[*English*]

Mr. Andre: Mr. Speaker, I would humbly maintain that for a member to call a point of order he must have been here and therefore must be one of the twenty that is counted if there is a quorum.

• (1455)

And the count having been taken:

The Acting Speaker (Mr. Clark (Brandon—Souris)): There is quorum. Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Clark (Brandon—Souris)): The question is on Motion No. 11.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Clark (Brandon—Souris)): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Clark (Brandon—Souris)): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Clark (Brandon—Souris)): In my opinion the nays have it.

An hon. member: On division.

Motion No. 11 negatived.

The Acting Speaker (Mr. Clark (Brandon—Souris): The House will appreciate this is a new and very grave responsibility.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt) moved:

Motion No. 13

That Bill C-114 be amended in Clause 38 by striking out lines 11 to 18 at page 35 and substituting the following therefor:

(j) the amount of $500.00 must be deposited with the returning officer at the same time as the nomination paper and the deposit shall be returned to the candidate on satisfaction of the conditions set out in paragraph 84(3)(a);

Motion No. 15

That Bill C-114 be amended in Clause 41 by striking out lines 6 to 14 at page 37 and substituting the following therefor:

section 219(2), the deposit shall be

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I am surprised because usually someone who moves an amendment takes a few minutes at the beginning of the discussion to explain the reasons why he presented such an amendment. We are dealing with Motion No. 13, I think, which mentions a $500 amount to be deposited with the returning officer at the same time as the nomination paper. The debate is taking place in the same context as before, that is the limitation of the democratic process which Canadians and Quebecers will have to decide upon in the next election. It is utterly unacceptable for the government to demand not $250 but $1,000 from someone who is running. Let's say a party, the Green Party for example, decided to use an election campaign to make the people aware of environmental issues, to raise the awareness of the different candidates during a debate, not necessarily to win the election.

I am surprised Conservative members are chatting in the House instead of listening to speeches that could inspire them and help them better understand the situation.

I was saying that if the Green Party decided to present a candidate in all 75 Quebec ridings for instance, it will have to spend $75,000 to present 75 candidates. The intent of the Green Party is not to have its candidates elected but simply to raise the public awareness on environmental issues during the electoral campaign. The same rationale could apply to an organization dedicated to preserving the agricultural way of life of certain areas. You could have a pro-agriculture party which would not necessarily wish to send representatives to Parliament but, as we say in Quebec, to put farm problems on the map during the election.

• (1500)

The Conservative Party which forms the government says: It is risky, so let's set some limits. Let's limit political parties. Let's limit interventions because the less that is said the better our chances of winning will be since we have no economic vision, no constitutional vision, no agricultural vision. We just let the Governor of the Bank of Canada and the chartered banks decide what our economic policy will be; we just let them raise interest rates. That is the government's economic vision. In terms of the electoral reform, it is the same thing. It is exactly the same—

[*English*]

The Acting Speaker (Mr. Clark (Brandon—Souris)): It being three o'clock 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*]

WORLD SUMMIT FOR CHILDREN

IMPLEMENTATION OF PLAN OF ACTION

Mr. Stan J. Hovdebo (Saskatoon—Humboldt) moved:

That in the opinion of this House, the government should make the Declaration and Plan of Action of the World Summit for Children, held at the United Nations on the 29th and 30th of September, 1990, an integral part of Canadian international co-operation policy;

That the government should consider fully implementing the major global commitments agreed to by the 71 heads of state and government attending the summit, including domestic and international co-operation strategies for child survival and development;

That the government should consider making available adequate financial resources for these purposes, including a contribution to the additional resources required from donor countries based on Canada's historical 5 per cent share of global foreign aid;

That multinational institutions be directed to focus their efforts on the implementation of summit promises;

That the minister responsible for the summit follow-up be invited to report to Parliament once a year on the implementation of the World Summit for Children Plan of Action and the Convention on the Rights of the Child to the extent that the application of the plan and convention, at the national, regional and international levels, requires action or a contribution on the part of Canada; and

That parliamentarians around the world be invited to ensure that each country provide its fair share of the additional resources required to see that the promises of the World Summit for Children become reality.

He said: Mr. Speaker, as you and others may have noticed, Motion No. 616 is almost identical to one that was passed in this House in mid-December 1991. It had the support of all parties in the House.

The fact that these are almost the same is not a coincidence. This motion was presented to the House on November 7, 1991 in an attempt to push the government into some action on the commitments that Canada had made at the World Summit for Children.

More than one year earlier in September 1990, this House passed a motion such as the one we are debating today after waiting the year. Now two and one half years after the world summit, because this government has not fulfilled its commitment, we are again pushing the government for action.

The 1990 summit for children was the largest gathering of world leaders in history at the time. Prime ministers, presidents and kings promised two billion children a revolution. The Prime Minister was the summit's co-chairman and he invited children everywhere to "listen carefully to what we say and in coming years hold us to our commitments".

I am here today to remind the government that it has not yet fulfilled those commitments. The commitment that Canada and the 58 other countries represented at the summit made was that children would have first call on their government's resources.

Now, two and a half years later, the Prime Minister's noble words and global commitment to reduce child death and malnutrition, to reduce the number of women dying during pregnancy and to make life for all children of the world easier now ring hollow. These words have had little impact on the real world of children today.

In fact, if we are to judge Canada's efforts by the dwindling dollars spent on humanitarian aid Canada has been backing away from those commitments made over and over by this government.

• (1505)

The children of Canada, the children of the world, have found that you cannot depend upon this government to keep its word. Promises cannot be eaten or turned into health care.

By December 1991, 71 countries had agreed to a plan of action in a convention on the rights of the child. Canada joined that group and again committed itself to a massive move to improve the life of children.

This subject of care of children can be dealt with in two parts: domestically for the children here in Canada who have not done particularly well, and internationally for the children of the rest of the world. Canada's record is not great at either level.

I want to spend my short time dealing with the international situation. Many of my colleagues have taken other opportunities to document Canada's lack of commitment to our own children. I want to deal with our

commitment to alleviating poverty and reducing the deaths of children from malnutrition and disease all over the world.

In 1992, UNICEF estimated that 40,000 children die every day from infection and malnutrition. That amounts to about 14 million children per year who die because of disease and malnutrition.

I do not want to leave the impression that Canada has not been generous or compassionate. Among the nations of the world Canada has always been among the first to provide emergency food and disaster relief when it has been asked for. Canada also has been and continues to be generous in its donations to multinational organizations such as UNICEF, the children's fund, to UNDP, the development program, and UNIFEM, the UNDP women's program, and to other multinational organizations.

My concern is that we seem to be backing away from our commitment to children, away from the alleviation of poverty in the poorest countries of the world and from the real commitment we made when we signed the Convention on the Rights of the Child in December 1991.

We are backing away from the commitments we made when we accepted sharing our future as the policy base for Canadian aid. That policy was to a great extent a product of three different parliamentary committees in this House.

Proof that Canada is backing away from its commitments is best indicated by the following facts. Canada's aid as a percentage of gross national product is now lower than it has been since the early 1980s. It has fallen so low that the OECD, the Organization for Economic Co-operation and Development, has expressed alarm and regret that Canada's aid has significantly declined.

Children are the most affected because the weakest are the first to suffer and die when aid is withdrawn from Third World countries. This government has reduced its ODA expenditures by $4.5 billion since it came to power.

Third, this government is in the process of a further 10 per cent reduction. These reductions were started in the 1992–93 year and are carried into the 1993–94 estimates. These cuts are expected to amount to about $650 million over two years.

Fourth, in addition to the funding cuts, this government has developed plans to redirect ODA funds away from the Third World especially from the least developed countries which most need long term assistance.

• (1510)

Instead, the government wants to use ODA funds for trade development activities in the former Soviet bloc and elsewhere. Canadian aid to the Soviet bloc is essential, but it should not be done at the expense of ODA to poorer countries. It would be much more logical to look for those funds in our defence budget or from the private sector which will profit from it in the long run.

This government, as part of its funding cuts, is reducing the assistance channelled through non-government organizations. In 1993–94 these cuts run as high as 12 per cent for some NGOs. The average across the board is about 10 per cent we are told.

Many of these funds are matching grants to NGOs which are the agencies through which tens of thousands of Canadians become directly involved in international development.

The NGOs work as partners with the local groups in developing countries. Together they work to improve basic health care, education, nutrition, farming techniques, small business operations and a host of other enterprises.

NGOs are experienced, efficient and accountable. Women and children will suffer most from this reduction to the non-government organizations.

Sixth, the government has announced that it is abruptly ending Canada's bilateral assistance programs in east Africa and the Horn of Africa. Countries like Ethiopia, Somalia, Uganda and Sudan are some of the countries which most need development and where children are suffering and dying in the largest numbers. This is part of CIDA's reduction of aid.

Seventh, the United Nations report on development has pointed out that less than 10 per cent of Canada's aid is humanitarian. Less than 10 per cent of our aid is directed toward human priorities such as clean water, basic health care, primary education and family planning.

This works out to less than $300 million out of $2.7 billion being spent on ODA actually reaching the poorest people. The poorest people are supposed to be the main target of Canadian assistance. That is what we said when we adopted Sharing Our Future.

Eighth, Canada has supported generously the international financial institutions, but it has done it without demanding from those institutions any conditions which would ensure that the projects supported by the World Bank and its regional partners would be people friendly. As a result, many World Bank projects have increased devastation and malnutrition among those affected or displaced by the many projects which the World Bank seems to favour.

Instead, these offices along with industrial countries have increased Third World debt to the point where that debt is the greatest single deterrent to progress and development in many countries. It is ironic that those loans which were supposed to be such a great help have turned out to be the greatest deterrents to development.

To Canada's credit, we have unilaterally forgiven much of our direct debt to the least developed countries in the Francophonie and the Commonwealth.

The New Democratic Party of Canada believes that the basis of all aid of all kinds should lead to the empowerment of the people of recipient countries and should lead to their self-sufficiency and independence.

Canada and all donor countries should avoid the tendency to exploit aid as internal economic development tools. Aid can be mutually beneficial without being exploitive of the recipient. Official Development Assistance is the key to giving the world's children a hopeful chance for a full life.

• (1515)

The New Democratic Party of Canada would immediately move to increase the effectiveness and quality of Canada's official development assistance. First, we would conduct a thorough review of ODA policy. We would ask Canadians in all walks of life, recipient countries and other donor countries to be part of a review. We would call on the considerable expertise of the NGO community and the United Nations agencies to contribute to the new policy. Farm groups, small businesses and co-ops would also be involved.

I do not suppose we would greatly change the aims of our future but we would spend a lot of time making sure that we could fulfil those aims. NGOs and other political groups have also called for such a review and rededication of Canada's aid.

Second, the New Democratic Party of Canada would immediately move to improve the quality and quantity of Canadian aid that goes into humanitarian priorities such as clean water, sanitation, nutrition, education and family planning. Those are the projects which affect women and children the most. Such a move could be made without increasing Canada's deficit.

This shift to humanitarian priorities would be best implemented by increasing our utilization of NGOs, non-government organizations. As indicated earlier, the NGOs are the most effective and efficient providers of this kind of aid since their projects are usually working directly with people and partners to help them develop their skills and ability to provide for themselves as far as possible.

This is probably the ultimate manifestation of the statement: "Give a man a fish and you feed him for a day; teach a man to fish and you feed him for life". In the Third World statistics show that women provide 85 per cent of sustenance. We can make this shift to better quality without increasing the Canadian deficit.

Third, the New Democratic Party has always supported the movement of the level of ODA to the United Nations level of 1 per cent of Gross National Product. This government has reduced the level of Canada's contribution to below .4 per cent of GNP. With this year's cuts and future dilution by making the international assistance envelope cover non-ODA countries, it is likely to drop to .3 per cent of ODA. This neglect and undermining of Canada's position is going to make it exceedingly difficult for any future government to regain this lost ground in view of Canada's national debt. New Democrats would move to turn the trend around immediately in an attempt to reach the UN target as soon as possible.

Fourth, the New Democratic Party would review Canada's contribution to IFIs, the international financial institutions, and make our continuing involvement with those institutions dependent and conditional upon policy changes which would make the World Bank institutions

much more sensitive to the humanitarian impact of any project on ordinary people.

Five, democracy means involving people. The New Democratic Party would aim its aid at the empowerment of people. The first step in this process would be the establishment of an advisory board for CIDA. Such a board would include representations from the recipient countries that would take part, and would take part in the general review of Canada's ODA policy. Such a board may extend its personnel to have smaller boards within regions in which CIDA now operates. Such a board would call heavily upon the development community in Canada: the NGOs, the business community, academia and the churches.

Aid to poor countries has been motivated in the past, as Betty Plewes of the CCIC, the Canadian Council of International Co-operation, stated: one part altruism-humanitarianism and four parts geo-political self-interest in the context of the cold war. As Betty points out, aid will probably go on being motivated by many intangibles.

• (1520)

Dr. Mahbub ul Haq, author of the UN development report, told a parliamentary committee last year that 95 per cent of the children born were born in Third World countries and 5 per cent were born in industrialized countries, which is the western countries including the Soviet bloc.

Dr. Mahbub ul Haq went on to say: "The threat to you Canadians will come not from ideological differences but from poverty. Industrialized countries are a shrinking minority of the world's population. You 5 per cent of the world's people will have to deal with the 95 per cent in developing countries. You can stop poor people at your borders but you cannot stop poverty from spreading in the form of drugs, pollution and terrorism".

We committed ourselves and Canada's resources to the children of Canada and the world. We cannot separate the welfare of the world from that of Canada. Doing all we can to make the children of the world healthy, productive and content would be a good start to a better world.

Canada's efforts to alleviate poverty among children of the world is slipping. We need to recognize that and do something about it. We need to improve the quality of our aid. We need to utilize the best people to develop that humanitarian aid. In other words, we need to work at making the children of the world citizens who can produce and benefit and be part of a good world tomorrow.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I rise in support of the proposed motion before us today for a number of reasons.

First, it is one step toward eradicating child poverty not only here in Canada but elsewhere around the world. Every one of us has a responsibility and a role to play. If we look at the future of Canada we cannot help but say: "If we cannot take care of our children today, how can we take care of the future of Canada tomorrow?" Children are the future of this country.

It is quite alarming that child poverty has hit an all-time high in Canada. During the 1980s we had approximately 984,000 living below the poverty line. In 1990, 10 years later, the number of people living below the poverty line is in excess of 1.1 million, which is about a 17 per cent increase over the past 10 years.

If we examine all the government policies over the past 10 years, and especially regarding child poverty, we can say in all fairness that we have failed on that front.

When we talk about child poverty we talk about poverty in general. A child is poor because he comes from a poor family. Poverty hits the single mothers hardest. According to Statistics Canada, 80 per cent of poor mothers have no high school diploma, and because they live below the poverty line their children are poor.

A lot of people believe that poor people normally do not work. That is totally unfair and untrue because according to statistics two-thirds of all poor in Canada whether they are poor families or a single parent are actually working poor.

According to 1990 statistics provided by Statistics Canada, 27 per cent of poor families work full time and another 40 per cent work part time. Only one-third of those poor families do not work at all because of lack of opportunities, because of disabilities or because of other considerations. That applies also to single people. More than 67 per cent of people under the age of 25 are also working poor and only about 27 per cent of those youth are not working.

• (1525)

Child poverty is an issue that concerns us all because poverty has a direct impact on the health of the nation. The reason why I say that is that if you look at children who live below the poverty line you will find that 40 to 50 per cent of those children were most likely born with low birth weight, with permanent growth retardation or restriction. There is a correlation between the health of the child and the quality of nutrition that he or she is receiving.

Also, when we talk about children who are poor, you will find that they are twice as likely to die before their first birthday. They experience a 50 per cent higher death rate than the average child. They are more than twice as likely to suffer long-term disabilities and other health problems. That is when we talk about poverty in general in Canadian society.

Child poverty is worse in our society when it comes to aboriginal people. If you look at the statistics going back to 1984, there was twice the number of youth or infant mortality among aboriginal people than in the average population of Canada. Furthermore, the aboriginal suicide rate in the age bracket 15 to 19 is almost seven times the rate of other children in the rest of Canada.

There is a direct correlation between poverty and what it has to do with the over-all health of the nation and what it has to do with the over-all future of the nation. A lot has been said about this issue.

Canada signed the United Nations Convention on the Right of the Child in 1990. The government is to be commended on that because it was a positive step forward that everyone has to recognize. We, on the Liberal side, are proud of the fact that Canada was one of the signators of that convention. Like anything else in life, however, unless you put laws into action and unless you take action, all of these words and promises will remain as promises.

Actions speak louder than words. So far, unfortunately, we have not seen a progressive action plan being put in place to deal with child poverty. As a matter of fact, we only have to look to the past to see that if this House unanimously adopted a motion by the year 2000 we would eradicate child poverty, but as I have indicated to you from Statistics Canada information child poverty over the past 10 years has been increasing, not decreasing.

There are things we must look at. We must develop legislation which expresses a positive minimum standard of care rather than negative prohibitions on parental behaviour. We must develop strategies to ensure that children taken into care receive the services they need and do not suffer from government neglect. We must look at ways to address this whole question in a cohesive manner rather than just dealing with it on an *ad hoc* basis.

Our party has come forward with a number of recommendations. I would like to cite a few of them that came as a result of the collective work of our critic for health and welfare from Winnipeg and our spokesperson on child poverty who is also from Winnipeg. They have recommended eight different steps that the government can take in order to deal with child poverty.

First the federal government should immediately participate with provincial and territorial governments through boards of education and in conjunction with community volunteers to provide nutritionally balanced breakfast, lunch and snack programs in schools throughout Canada. We know this will not solve the problem in the long term, but at least it is one first step that the government should look at.

Also the Liberal Party recommends that the government redesign the tax system to make it more equitable, to help families cope with the added expenses of raising children and simplifying the federal child benefits system. Everything boils down to income and expenses. The Liberal Party has moved forward to recommend that the government immediately announce its intentions to have accelerated job creation programs for students to be put in place for summertime employment.

• (1530)

These are some of the recommendations. I can see we are pretty well running out of time. It is Friday afternoon and I do not want to monopolize the time of my other colleagues who want to speak on this issue. However I am grateful to say that the House of Commons has unanimously adopted the resolution I introduced on behalf of my party recognizing November 20 as child day in Canada.

I will read that for the record. It says that throughout Canada each and every year November 20, being the day in the year 1989 when the United Nations Convention on the Rights of the Child was adopted in the United Nations General Assembly, shall be known as the National Day of the Child.

This day was designated in order to allow Canadians from coast to coast on an annual basis to celebrate the potential of children, to celebrate what childhood is all about. At the same time, that day will give us a chance to assess how far we have come as a society in dealing with child poverty and what we have done as a society in order to attack the poverty that faces children.

I know there is not one single action any government can take that will solve all of the problems, but every single step could help. We have a responsibility at every level, from the school board level, municipal level and provincial level to the federal government level, to collectively set up an action plan that will help us deal with the question of today and the question of tomorrow.

To that extent I want to put on the record that we support the motion proposed by our colleague.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I too would like to speak in support of Motion No. 616, introduced by our colleague from Saskatoon—Humboldt. I thank him for his initiative.

In December 1991 the Liberal Party introduced a minority report on child poverty entitled "A Child Investment Strategy". It was introduced by my colleague from Winnipeg North Centre and myself as the health critic for the Official Opposition.

My colleague from Ottawa Centre has already alluded to some of the recommendations. I thought I would just remind the House that in the report we indicated that:

> We believe that the committee's report should have called for a child investment strategy that would have marked the beginning of a 10-year campaign against all child poverty in Canada. Even within that context, the committee neglected such obvious problems as education and training—perhaps the most solid investment we can make in our children.

Then we went on to note that the Subcommittee on Poverty failed to inform the House of Commons of the extent to which federal government policies since 1984 have directly and dramatically increased poverty in every region and city throughout Canada.

In contrast to the recommendation of that committee which only urges provincial and territorial governments to promote nutritionally balanced breakfast, lunch and snack programs in schools throughout Canada, the Liberal Party felt that we should immediately participate with those governments in implementing those nutritionally balanced breakfast, lunch and snack programs for schools throughout Canada.

I should also add that I published an article in *The Medical Post* about giving nutritional supplements to pregnant women who are poor. If we spent about $155 million on these pregnant women throughout the country we would have a return of about $350 million in savings by preventing 6,000 babies from being born underweight.

We have had a long commitment to alleviating the plight of our children, to the development of our children. In that Liberal minority report of December 1991 we also indicated to Parliament and Canadians our party's commitment to full employment.

I was just reading a summary of achievements by this government from 1984 to 1993, which was published in February of this year. I would like to quote from the section on this government's contribution to world peace and development. It says:

> Canada has an enviable international reputation as a responsible nation dedicated to the ideals embodied in the United Nations Charter. Canada has vigorously pursued the cause of international peace and development over the last eight years with a host of initiatives and programs.

• (1535)

While we applaud those initiatives that help the poor children in the world we have noted that the amount of aid to those developing countries has diminished.

I would like to submit that it is in the best interests of Canadians to help children in developing countries become strong, healthy and productive citizens, as we do for our own children and youth in Canada. Then those children in the developing countries will move the economies in their countries, and thus those countries would require imports from Canada thereby helping our economic development. Also, and this is very important, we will restore human dignity to all children of the world.

On that note I would like to reaffirm my support for the principles embodied in this motion. I reaffirm:

> That in the opinion of this House, the government should make the declaration and plan of action of the World Summit for Children, held at the United Nations on the 29th and 30th of September, 1990, an integral part of Canadian international co-operation policy;
>
> That the government should consider fully implementing the major global commitments agreed to by the 71 heads of state and government attending the summit, including domestic and international co-operation strategies for child survival and development;
>
> That the government should consider making available adequate financial resources for these purposes, including a contribution to the additional resources required from donor countries based on Canada's historical 5 per cent of global foreign aid;
>
> That multinational institutions be directed to focus their efforts on the implementation of summit promises;
>
> That the minister responsible for the summit follow-up be invited to report to Parliament once a year on the implementation of the World Summit for Children plan of action and the Convention on the Rights of the Child to the extent that the application of the plan and convention, at the national, regional and international levels, requires action or a contribution on the part of Canada; and
>
> That parliamentarians around the world be invited to ensure that each country provides its fair share of the additional resources required to see that the promises of the World Summit for Children become a reality.

I would like to leave this debate with one very important principle as we commit ourselves to these declarations by my hon. colleague from Saskatoon—Humboldt, which I support very strongly. It is the so-called first principle.

When the financial resources of Canada are plentiful let us think of our children and youth first. When the resources of the country are scarce the children and youth should suffer last.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Madam Speaker, I am pleased to rise this afternoon to take part in this debate on motion M-616 presented by the hon. member for Saskatoon—Humbolt. As we know, I was vice-chairman of the Standing Committee on External Affairs in 1986-87 and I had the pleasure of working with other members of this House on an in-depth study regarding assistance to developing countries. I can tell you that I am well aware of what is going on, particularly with regard to African countries.

I had the pleasure of visiting several projects managed by Canada in co-operation with non-governmental organizations and I understand why Canada is reluctant to get involved in the issue of children's rights. I understand in a sense, but in another sense I do not. I understand because Canada's debt is enormous and theoretically we cannot afford to increase our financial aid to developing countries. But there are other ways to help those countries, and I find it sad because if I remember well it was our Prime Minister who chaired the World Summit for Children and it is that same Prime Minister who is now taking so much time to respond. He should give leadership and Canada should give leadership and fulfil the promises that have been made.

• (1540)

It is really unfortunate because today other countries are watching Canada that who was then a leader explaining to other countries what they should do in order to protect the rights of the child. That same Prime Minister does not do a thing. I wonder how Canada is now perceived after we made such a great fuss about the World Summit for Children and worked so hard to make it happen.

Let me tell again about those countries I had the opportunity to visit and about projects in those countries, most particularly in Africa. I did not get the chance to travel to other countries to see our assistance projects. In Africa we visited Tanzania, Senegal, Cameroon, Niger and Ethiopia. We made two visits to those developing countries to try and find a better way, to help them.

We realized that 30 years ago when we started to help those developing countries we tended to have a colonial approach. We wanted to help them, but we also wanted to help ourselves. We would undertake projects, always thinking that they would bring benefits to us. That has been the great tragedy. All the time we helped them, we were thinking of ourselves first. Of course, they got some assistance but it was a bad start because when you want to help yourself before you help others you forget the essential part, that is to help a country on the basis of its potential. In developing countries, particularly African countries, we developed great projects that they were unable to manage. A few years later everything was in shambles.

Let me list a few if I may. In Tanzania, for example, the Clark government found an outstanding potential for wheat production. Of course, they have some difficulty with wheat in Tanzania, but the then Prime Minister, the member for Yellowhead, accepted to develop a great wheat production project. Being a westerner, he was quite open to that kind of project and he knew very well this kind of development. He also thought that it could eventually help people in western Canada because they could sell equipment, for example. To make a long story short, we developed a great wheat production project in Tanzania, and I have to admit it was a success from the point of view of productivity and the volume of production. We developed that project much like we do in western Canada, with big farms, big tractors and big combines. We built garages to maintain this machinery and trained people to repair those tractors and combines. Everything was fine. This means there might be a hundred people working for this big project which pays quite a bit. What we forgot is that we could have gone with small NGOs or collaborative projects, which would have cost a lot less and would have employed more people. Thousands of people could have worked to produce about the same result. They would have learned to grow things. They would have acquired the know-how from our people. They would have had an opportunity to earn their living in an honourable way. They would have learned to cultivate. By doing it for them did we really help them? This is the question one must ask. Yes, we probably helped them, but not in the long term.

• (1545)

A few years later when this project was running smoothly Prime Minister Trudeau visited Tanzania. He went to Dar es Salaam and told them: "You are producing a lot of wheat, my friends. Dar es Salaam is a city of about two million people. It seems you are lacking a bakery". What did Mr. Trudeau do? He said we are going to build a bakery. And he built the most modern bakery of the time. What happened then? By producing large quantities of bread in that ultra-modern bakery we put all the small bakers out of business, the thousand of bakers who had worked at feeding the people of Dar es Salaam. We took away their jobs. We took away their capacity to earn an honest living.

Even worse, we did not put into place the maintenance infrastructure for this bakery, and the last time I went to Tanzania it was no longer operational. But between the time it started and the time it stopped producing, all the small bakers had closed shop. Did we really help these people? What I am trying to say is that with the same amount of money we could have done a lot more had we decided to genuinely help others instead of helping ourselves under the guise of helping others. This is the thrust of my speech.

[*English*]

Madam Deputy Speaker: There being no further members rising for debate, the time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

CANADA ELECTIONS ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-114, an act to amend the Canada Elections Act, as reported (with amendments) from the Special Committee on Electoral Reform; and Motions Nos. 13 and 15.

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, now that we are back to the amendments to the Canada Elections Act, Bill C-114, I am in the unusual situation I was in when the amendment of my friend from Saskatoon—Humboldt was put.

I agreed with my former colleague who spoke before we got into Private Members' hour. I was looking forward to some explanation for the amendment from the hon. member and whether he intends to participate now in the debate.

This raises some interesting questions again in this very fundamental change in our election laws, which will affect all Canadians and hon. members. This particular amendment, as I understand it, not having had the explanation from the hon. member who moved it, is a change in the government bill that says the deposit will

be $1,000. This amendment is a change from the present $200. I gather that $200 has been there for some time. Neither the government clause of $1,000 nor the amendment, as I understand it, conforms to what the Lortie commission reported in the royal commission that is the basis for this phase of election reform. It made no suggestion of a dollar amount.

• (1550)

I certainly have filed the $200 deposit but there is the question of whether $1,000 is too much for democracy. The $500 seems to be a little more equitable for people who may want to run. Under this law we are already changing the number of people who have to sign the papers from 50 to 100, which is most likely a good thing. The nomination papers will have to be signed by 100 electors, however the real question is whether $1,000 is just a little too much.

Perhaps the hon. member's amendment is what he considers to be a compromise between $1,000, $200 and $500 and that may be reasonable. However I did not have an explanation from the member. This is an interesting question, but then we get into this whole other area of $1,000 to be allotted to third parties for advertising.

I gather from what the government House leader said earlier, the issue interests a lot of Canadians, especially Canadians who are not in this Chamber but certainly not the three registered parties in this Chamber, the Conservatives, the Liberals and the NDP. As I said, there were hon. members doing the committee report. I read what the Lortie commission said about third party advertising and trying to weigh the question of free speech. It makes sense that members and parties have restrictions on expenses. Yet third parties can come in under the present law as it has been interpreted by the courts and flood the airwaves, newspapers and post office boxes of electors if there is no restriction or limitation on the amount a third party can spend.

I do not know if I want the tax system they have in the States or these political action committees that pervert almost all the laws for election expenses. I think in most cases they are supposed to have a $5,000 limit, so they just create another committee. They can have a multitude of committees to get around their election expense laws which are really pretty horrific in terms of not really setting any limits. Thank God it has not happened here yet, but money in the United States is almost fundamental. Unless one has millions of dollars do not even think of running for an election. Certainly in the House of Representatives one needs hundreds of thousands of dollars and in the Senate in the United States it is in the millions. I forget one of the figures but I think $2.4 million was the average for Senate races. Some people spend that much in the primaries.

Fortunately we in Canada have not quite been devoured by the need for dollars for a person to participate in our political system. This comes back to the amendment of my hon. friend that $500 sounds more reasonable than the $1,000 that is in the present bill.

We do not have the numbers to put this or so many of the amendments this afternoon to a vote. I think this is a very poor reflection on the whole state of Parliament. On a quiet Friday afternoon before a long break we bring in this type of legislation where there is a lot of public interest in some of these areas that affect the people and the body politic out there. Yet we have a perfunctory debate under our rules at this stage in our debate and there are not enough members to actually force a vote on some of the amendments. A lot of this is going to slip by. Members who should be taking an interest are not here and the people really do not know where they stand.

Fortunately, with extended hours today we will perhaps conclude report stage, which we are on now, because we have fairly tight limits on it and I understand that. It helps move bills along as it should.

• (1555)

This is where we get the problem of reform of the rules to help governments move legislation along. Understandably from a government point of view on a quiet afternoon you can get a contentious bill really sliding along. Frankly, if there had not been a few members around here today, I imagine this whole bill on electoral reform might have gone through the report stage and by unanimous consent third reading and the whole thing would be over perhaps without even a cry of division.

There may have been a cry. The member for Kingston and the Islands who has been very active in this whole

process of electoral reform and working on the committee says that at least there would be a cry of division.

As far as I am concerned, as long as there is going to be a vote on third reading, some of my interest on some of these amendments pales. I do not really have that much conviction on whether it is right or wrong. As I said, I think the government bill is better than some of the amendments. The problem is that in terms of the multitude of members in this thing, there is not the process to have members vote on something that gets pretty fundamental and to the core, and this is one.

I understand from the newspapers that some parties are concerned, those that can give tax receipts like the Rhinoceros Party and the Green Party. They can give tax receipts because they had 50 candidates in the last election. They are very concerned about this $1,000 deposit. In effect, if they had to put a $1,000 deposit into all the 295 ridings, this would be a very onerous financial burden that they might not be able to meet.

As an Independent, certainly as a Conservative member, even as a Liberal member, and probably even as an NDP member, I would most likely be happy as the devil to say that $1,000 should be the deposit because then you will not have as many so-called fringe candidates. Sitting where I am now as an Independent, I cannot really say they are any more fringe than perhaps some people might say that I am a fringe candidate. Therefore, I come down on the side of my friend's amendment even though he did not explain it.

That is what I really am disturbed about because at least he is here. I really think he owes it to the House to explain what he is trying to do because I may have misinterpreted what he is trying to do.

Again, there is an issue here that the House should divide on at the right time to see where we all stand on it. But I also understand the realities of life at 3.55 on a Friday afternoon with the number of members here and the rules. We most likely will not have a division on this matter, which I think is pretty important.

I hope I have not misinterpreted the member from Saskatoon—Humboldt who moved the motion. I think it is laudable and I would like to support it if I interpreted it correctly.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, I thought Motion No. 13 was self-explanatory. After hearing the member for Annapolis Valley—Hants I recognize that it is. That is the exact reason behind the motion that $1,000 seems a little extreme for some people and $500 is a compromise figure.

However, I want to spend another minute on the second motion, Motion No. 15. It really is much more significant than the change from $1,000 to $500 because it suggests that the total amount is returned when the official agent files the costs after the election.

The present bill suggests that candidates get half of it back when it is filed and half later if they get more than 15 per cent. In other words, if candidates do not get 15 per cent, they lose half of it. Our concern was that the candidates should get it all returned to them when they file their official returns after the election.

[*Translation*]

Mr. Plamondon: Madam Speaker—

Madam Deputy Speaker: The hon. member for Richelieu wants to be recognized. The hon. member has already spoken on those motions.

Mr. Plamondon: Madam Speaker, I would like to rise on a point of order.

Madam Deputy Speaker: On a point of order, the hon. member for Richelieu.

Mr. Plamondon: Madam Speaker, I was speaking on motions 13 and 15 when the Chair interrupted me at 3 o'clock and told me I could use later whatever time I had left. I still had a few minutes.

• (1600)

Madam Deputy Speaker: I agree with the member that he still had a few minutes left. But, when we resumed debate, the hon. member unfortunately had not returned to the House. He therefore gave up his right to speak to the motion.

Mr. Nic Leblanc (Longueuil): Madam Speaker, once again I am pleased to rise and participate in the debate on the bill on electoral reform.

I remember the Prime Minister said that a reform of the electoral process was needed. I had the opportunity to discuss the bill on electoral reform on a few occasions with Pierre Lortie whom I have known for about 20 years because we were both members of the Chambre de Commerce des Jeunes of Montreal at the time.

Mr. Lortie told me on several occasions that the reform would make the Elections Act more democratic so that people would have a stronger voice in the process. That was the mandate given to his commission.

I find the debate we are involved in a bit absurd since the suggestions, the amendments and the whole bill are in complete contradiction with the commission's mandate whose thrust was to put more democracy into the electoral process to allow individuals to express themselves, with nothing to do with financing by large corporations or unions but to give the ordinary citizens a voice in the process.

Once again it is suggested that the deposit requested from the candidates be raised from $250 to $1,000. This seems to me to be contrary to this kind of freedom of speech we are looking for. I mean that $1,000 is a fair amount of money for some people or even for a young political party. As my colleague said a few minutes ago, many political parties are established with no intention of forming a government. In fact, we, the Bloc Québécois, do not want to form a government; all we want to do here in Ottawa is to defend Quebec's interests and we want to act freely without the shackles of a Canadian national party which would silence us. We want to be able to speak freely.

We know the meaning of freedom of speech. When the people can speak freely, things begin to change. So, as a political party, we do not want to come to power, we want Quebecers to be able to express themselves freely in Ottawa. We think that power is greater when we can speak freely instead of being caught within the establishment or stuck in a caucus where everything is confidential.

Again, if political parties have to pay $1,000 the small parties will not be able to express themselves since the candidates will often not have the necessary $1,000 deposit that would allow them to run in an election here in Ottawa.

Speaking of freedom of speech, even if I do not like to make comparisons, it reminds me of the day Mr. Gorbachev—who has been in Canada for a few days—allowed his people to speak freely. As you will know, freedom of speech did not exist in the U.S.S.R. When some one would try to speak up, he was thrown in jail. So people were given the right to speak freely.

For a number of years, we have seen the people of the U.S.S.R. express themselves as they wished. In just a few years we have witnessed incredible changes in the U.S.S.R. We saw countries become sovereign—Ukraine, Lithuania, et cetera—simply because the population was allowed to express itself freely. This is what we want to do. We want to be able to express ourselves freely, for Quebec, here in Ottawa, and it is in that sense that I say the higher we make the deposit, the more we run the risk of hindering the democratic process, because the amount becomes too high. We run the risk of not allowing the population to express itself through its representatives. This is important, Madam Speaker. It is very important, even though it may not look like it.

I find it strange. This is a very important debate. There are many amendments to discuss, yet only three members have risen. Those members are from the Bloc Quebecois.

• (1605)

No other member from Quebec, whether Liberal or Conservative, has debated this issue. Yet, they have been here for at least a good ten years or more and they have this democratic culture. They have learned from René Lévesque and others about financing by individuals, about democracy and about freedom of expression. Yet they remain silent. I do not understand that. I find it very difficult to understand. I see the minister of employment is here. He has not said anything either. How come no Quebecer other than those from the Bloc Quebecois is talking? I simply cannot understand that. After all, these people would be in the best position to discuss this issue. They are in the best position to understand what goes on with electoral reform. In fact, the idea of a reform came from members representing Quebec, including the Prime Minister himself, the member for Mégantic—Compton—Stanstead, and the member for Lac-Saint-Jean, who were the first ones to propose this reform. It is they who in a sense forced the government to set up a commission of inquiry which precisely proposed a more democratic reform.

We have been debating amendments for a few hours and I have yet to see a member from Quebec participate in this debate. I have not seen any member from Quebec rise. Why? Are they ashamed? Are they ashamed to express themselves and say that this does not adequately meet their wishes? I believe, as I said earlier, that they are stuck in their caucus and were told not to discuss

this issue. They are avoiding this debate because it would not be very good in Quebec. This is what is going on.

Why is it that all the Liberal and Conservative members from Quebec remain silent? It is because they are not allowed to talk. They do not have the freedom of speech. This is a clear demonstration.

The short speech I just made deals with freedom of expression. I believe that the power of a nation lies in being able to express itself. If people cannot express themselves through their elected representatives in the House of Commons or in the national assembly in Quebec, then these people do not enjoy freedom of speech. Members who are supposed to represent the people do the opposite of what the population wants them to do, as was the case with the Bélanger–Campeau commission during the last referendum. Madam Speaker, you might be shocked to hear this but, unfortunately, the members who represent Quebecers in this House do not defend their interests and their needs. They do exactly the opposite of what Quebecers asked them to do during the last referendum.

Why? It is because they cannot express themselves. They are prisoners of the British parliamentary system with its party caucus structure. It is an excellent system but, unfortunately, it does not meet the needs of Quebec, which wants to enjoy freedom of speech here in Ottawa. Those members cannot speak freely because they belong to a national party in which they are forced to keep quiet because they are in a minority every time they dare say something. Since members are ambitious and want to become ministers or parliamentary secretaries they would rather obey their leader than be left out. In other words, they put their personal interests well before those of Quebecers. This demonstrates that Quebecers are not well represented here in Ottawa and their only opportunity in that respect is the Bloc Quebecois.

• (1610)

[*English*]

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: The first question is on Motion No. 13. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

Motion No. 13 negatived.

Madam Deputy Speaker: The next question is on Motion 15.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

Motion No. 15 negatived.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt) moved:

Motion No. 17.

That Bill C-114 be amended in Clause 80

(a) by striking out line 40 at page 51 and substituting the following therefor:

"Officer to be sufficient for identification but which does not create impossible criteria for many individual Canadians."; and

(b) by striking out line 32 at page 52 and substituting the following therefor:

"Chief Electoral Officer to be sufficient for identification but which does not create impossible criteria for many individual Canadians".

He said: Madam Speaker, the purpose of this amendment is to relax as much as possible the identification for rural voters. In many rural areas, particularly farm and forest areas and on Indian reserves, people often do not carry identification. In fact in many cases they do not even have identification because it is not of much value to them.

Part of the reason we are supporting this portion of this bill, even if it lacks a number of other things we would have liked to have seen in the bill, is because it opens up the number of people who can vote. It seems adverse to put some technicality in the way of a rural voter who might be well known in the community but is not on the voters' list and cannot vote just because he or she does not have identification. The DRO and everybody else might know who they are and be able to identify them. They still would not be able to vote if they did not have that one piece of identification.

Since the main aim of this phase of election reform is to make it possible for any Canadian citizen who qualifies to vote, it seems rather absurd that we let a little technicality stop one, two, three, ten, twenty or one hundred people from voting just because they cannot fulfil a small requirement such as having on their person when they reach the poll some bit of identification.

• (1615)

[*Translation*]

Mr. Louis Plamondon (Richelieu): Madam Speaker, as for Motion No. 17 put forward by the hon. member, it looks like one of those motions—he has a number of them—intended to make it easier for anyone who wants in good faith to exercise the right to vote in an election, to do so. It was also the case when he moved a motion on non-limitation with regard to the number of political parties, by imposing strict basic requirements such as a $1,000 deposit in every electoral district to have someone represent the party. The same thing with the motion on prisoners that we discussed earlier.

In this case the idea is to provide members of certain cultural communities who are not in the habit of carrying on them several i.d. cards which they could produce if need be at the time of an election or at any other time a convenient means of identification. In that sense, the proposed amendment shows the closed mind and lack of good will this government has once more exhibited. An open-minded approach would be to allow Canadians from certain native communities or local communities where everybody knows everybody, as we were saying earlier, who are coming to vote in good faith not to produce identification. These people could exercise their right as it is exercised as democratically as possible in normal countries. Are we normal? Of course, we are. We have our faults, but we have also had the opportunity to right a few wrongs. I notice the hon. member for Lotbinière. I could see him support such an approach as a man of the law.

But he remains silent and, more likely than not, he will decline commenting on that. Yet with his talent as a speaker and his expertise as a lawyer he could give a voice to these people in this place and express their wishes as the member representing his riding. I think that there are even native communities in his riding that he is in contact with. There are also communities which would like to hear his advice and see him stand up for them here in this House to get the right to vote without meeting 100 per cent of the requirements of the old Elections Act. The proposals submitted are not geared toward liberalizing the right to vote, but rather limiting it. This is not a precautionary measure, contrary to what we may think.

I do not think that anyone will have anything to say against this, seeing that no one on the other side has requested to speak after me to challenge my position and that of the distinguished member from the New Democratic Party who has eloquently introduced these amendments. This amendment is also in keeping with the Charter of Rights and Freedoms. Nothing in the charter says that we have to carry around five i.d. cards, or a single one as a matter of fact, and to sign an affidavit in order to be allowed to exercise our democratic right to vote.

The Charter of Rights and Freedoms leans toward open-mindedness instead. As we hear in court sometimes, it is better to let a dozen guilty people walk than to send one innocent person to prison. Perhaps we should err on the side of open-mindedness sometimes concerning who has the right to vote and who does not, and let one person cheat so dozens and dozens of voters are not

refused the right to participate in the democratic process.

• (1620)

We know why the government is once again opposed to it. It is trying to limit the democratic process in Canada because it serves its interests. Fewer ordinary people will vote, but more rich people will vote and the bigger will be their financial contribution. The government will then be in a better position to defend the interests of rich people instead of those of the majority who cannot always present identification cards when they go to the court house, the polling station, the convenience store, etc.

I appreciate very much this idea suggested by the member because it is forward looking. It is very forward looking as far as electoral legislation is concerned because it is based on the degree of tolerance and confidence which Canadians must have towards each other as well as Quebecers, and also Canadians and Quebecers, especially considering what will happen over the next two years, which will certainly result in a new economic agreement between the two countries sharing the same border.

Therefore, it is very important to establish that confidence at the individual level, as it will be important to establish it as a notion later on. This degree of trust begins when we go to the polls and have to chose between different parties, different candidates: the Tory Party that wants to serve the privileged, the Liberal Party that has not found its calling, the New Democratic Party completely out of touch with its obsolete theories; and next to them in Quebec a group of enthusiastic people with a new vision of their nation's future, of their people's future and a new vision of their relations with the rest of Canada.

Voters then have a real choice, and the choice will be easy in Quebec, of course. People will vote massively for the Bloc Quebecois. Why? Because their candidates want to serve the best interests of Quebec in Ottawa, and they want to do it as long as Quebecers will pay taxes, before going back to manage their own affairs. In that sense, to be able to vote for one of the options I mentioned is the most vital act in democratic life.

Again, as my hon. colleague for Longueuil has rightly and eloquently pointed out a few moments ago, it is a pity to see Tory members so absent from the debate. I do not mean absent from the House, it is their right, and some of them are here today, but I deplore the fact that those present remain silent in such a crucial debate, a debate on electoral reform. Indeed, on November 17, five days before election day, the Prime Minister had formally committed himself to electoral reform, to an in-depth reform in order to make the democratic process more relevant and more easily accessible to disadvantaged people. The amendment put forward is a good example.

Of course, grassroots financing would have been a major reform, the second part of the reform that the House leader was saying will come after the election. When we talked about Motion No. 2 a few moments ago, the hon. member for Gatineau spoke very eloquently on that subject but he has not said a word since. He should speak again about the rights of people who would want to have access to the democratic process. Since he belongs to one of the beautiful minorities that we have in Canada and in Quebec, he would certainly be able to tell us that in some communities it is not customary for people to carry identification papers with them at all times. It would be sad to deprive certain groups of people of their right to vote, which is the ultimate expression of democracy, simply because they are not in the habit of carrying identification papers.

The motion of the NDP member is very good and reflects the democratic vision that sustains many members in this House, the vision to improve the conditions in which we exercise our democratic right every four to five years when we elect our representatives. The fact that some people are prevented from exercising that right is contrary to the Charter of Rights and Freedoms which the House leader likes to invoke so often. When he talks about the Charter of Rights and Freedoms, it is always to protect the millionaires who finance his party and not to protect the ordinary people who want to exercise their right to vote in an election. When an election is forthcoming the charter is always used to defend this or that. But when it was a matter of receiving millions, as it was the case during the referendum—$100,000 from the Bank of Montreal, $100,000 from the Royal Bank, $240,000 from the pharmaceutical industry—money was flowing in. They said then in the name of the Charter of Rights and Freedoms: My God, we must not stop corporations from donating money, to buy votes or to try to. But Canadians did not buy into that. They said no to the referendum. The same thing

will happen with the election if the government restricts the right to—

• (1625)

Madam Deputy Speaker: I am sorry to interrupt the hon. member but his time has expired. The hon. member for Longueuil.

Mr. Nic Leblanc (Longueuil): Madam Speaker, I will try to be brief, but I do want to speak to this amendment. A few moments ago I was talking a lot about freedom of speech but I really think the government is going too far by saying that someone who comes to the polling station without identification will be able to vote, provided he or she is accompanied by a witness, somebody who knows him or her. I find it a bit abusive to give that kind of freedom to people since we know there are dishonest people in any society.

We know that come election time people will try to vote twice or three times, to vote in more than one riding. This of course will not happen in small villages where everybody knows everybody else. Nobody will vote two or three times in those places, but they could go and vote in another riding. To have the right to vote a person just needs to be accompanied by a witness who will attest that it is the person's real name and address. I think it is abusive. This time, I think we are giving too much freedom to voters and we are giving dishonest people a chance to cheat.

In Montreal, for example, where people do not know one another, someone could go to a polling station accompanied by a witness who would confirm his or her identity, and that person would have the right to vote without presenting any piece of identification, without proof, without having been registered on the voters' list. To me, it is really unacceptable, and quite dangerous to allow people to abuse the system.

When something is forbidden and when there are measures in place to prevent abuses we can expect to have a fair and honest society. However if we allow people to cheat very easily, we may very well end up with a society that will become increasingly dishonest. Therefore, I believe that we cannot allow that part of the bill to pass because it gives to much freedom to voters and will allow dishonest people to abuse the system.

I know that in the Duplessis era in Quebec—and not only in Quebec but all over the industrialized world—people were very enthusiastic when they had an election. It was almost a national sport. People used to talk a lot about it in the villages, in rural areas. I grew up on a farm. My father was mayor for many years and he was involved in elections. I grew up in an environment where people just loved to talk about politics. Sometimes it would lead to heated arguments.

Still today some people have a passion for politics and they could use that freedom to vote in several ridings and in several polling stations because all they need to do is to be accompanied by somebody who will confirm their identity. It seems to me quite unacceptable and that is why I am against this government's proposal. I am even surprised to see such a proposal.

• (1630)

I will say once again that I support the NDP member's motion which states that a person must be able to prove his identity, must carry identification in order to be able to exercise his right to vote because it seems to me the least we should require. I agree that things must be done in the most democratic way possible that will ensure the greatest access possible. As I mentioned in all my speeches I want everything to be democratic but we must not allow people to be dishonest or allow dishonest people to take advantage of the system. That is why I strongly support the NDP member's proposal.

I think the present debate is quite abnormal. I would call for a quorum count because there are only two people listening to me here, something I find unacceptable.

[*English*]

Madam Deputy Speaker: Call in the members.

• (1635)

And the bells having rung:

Madam Deputy Speaker: We have a quorum. Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

An hon. member: On division.

Madam Deputy Speaker: The motion is negatived on division.

Motion No. 17 negatived.

Mr. Peter Milliken (Kingston and the Islands) moved:

Motion No. 18.

That Bill C-114 be amended in Clause 112 by striking out line 39 at page 62 and substituting the following therefor:

"ing or opposing, directly or indirectly and during an".

He said: Madam Speaker, this amendment is a fairly straightforward one. Under Bill C-114 advertising expenses are not allowed to be incurred by individuals in the course of an election campaign where they directly promote or oppose a particular registered party or a candidate if those advertising expenses exceed $1,000.

Motion No. 18 which I have moved seeks to amend that to prevent such advertising either directly or indirectly. I do not know how these terms will be interpreted by the courts, but the argument put forward by the chairman of our committee on electoral reform, the hon. member for Calgary West, is that direct advertising would be advertising that suggests the public vote or not vote for a candidate or for a party specifically, and that mentions the party or the candidate by name.

It is his view that indirect advertising is all other advertising. My view is that the $1,000 restriction ought to apply to both kinds of advertising during an election campaign where the advertising clearly is encouraging support for or opposition to a particular candidate or party. There are good reasons for this law. I know there has been some public criticism especially by the National Citizen's Coalition of the proposal that the committee has been forward.

• (1640)

I mentioned this during my speech at second reading of this bill. I think the arguments put forward by the National Citizens' Coalition are fallacious. Its members have failed to recognize the fact, and most of their advertisements fail to recognize the fact, that we do have limits on the spending that is allowed by candidates and by political parties.

Given the fact that we have attempted to create something of a level playing-field where parties are restricted on what they can spend and where candidates are restricted on what they can spend, it seems to me very fair that there should be restrictions on what other persons are able to spend during the same time.

If it were not so, the parties would be able to encourage others to advertise on their behalf and thereby circumvent the restrictions that are applied to themselves. An unscrupulous candidate or an unscrupulous party organization could easily go to other organizations or to individuals and say, "please run ads supporting me or opposing those other people so that I can win my election". If you can do that and thereby get around the restrictions in the Canada Elections Act, then you might as well not have the restrictions in the act. In my view it is very important that we have very comprehensive restrictions in place on what other persons can do to advertise.

I know the National Citizens' Coalition feels it has the divine right to advertise as it sees fit and try to convince Canadians that its point of view is correct. It does, and I uphold its right to advertise. But not during an election campaign if it is going to participate in an attempt to defeat candidates or elect other candidates.

This kind of amendment goes some distance toward doing that. It is far from perfect. It is not the kind of amendment that I would have proposed had I been in the position that the government was in. But the amendment that I have moved at least imposes restrictions a little more forcefully and I urge the House to adopt it.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, my hon. friend for Kingston and the Islands brought forward an amendment reflecting equity and fairness. How can government members say that indirect spending does not constitute interference in an election?

We have seen in the 1988 election large multinationals speak out for free trade for Canada. It was obvious to the whole country, because for a whole year the media talked about it, that the governing party was for it and the opposition parties against.

But various companies with vested interests put up huge resources to advertise everywhere, on television, on the radio and in the press, in order to convince Canadians that it was the best option for our country. They will deny having interfered in the election. That is utterly false. The amendment is simply to protect us. I repeat, Madam Speaker, no company or group, not even The National Citizens' Coalition, has the right to interfere in an election to choose members of this House.

Do the rich have the right to put up indirectly thousands and millions of dollars in order to convince the public to vote for a party because they think it knows what is best for the country? That is not right. As long as we want a political system that is truly democratic we must suppress all interference, especially that which can be used through today's media.

It seems simple enough to me. It is very simple, really. We live in a democracy that believes in fairness and justice. But if we persist in saying that some have the right to make their case in an election by putting up huge resources, in the millions of dollars, that is unacceptable. If they want to promote their option let them do it in between elections.

• (1645)

After an election is called, when Canadians have to elect their representatives to this House, nobody should be able to influence the electorate and nobody should avail themselves of the means to get the candidates to decide for one option or another. They should be completely free to choose, without falling prey to the propaganda in the media. We saw that in 1988. Hardly 20 minutes could go by on radio or half an hour on television without some loud advertising spot. The coverage was the same in the newspapers. This was literally brainwashing in favour of one option aimed at protecting the interests of large multinationals, as time has proven.

Even though this amendment is not agreed to today, it is only a matter of time before it becomes law because in the future, people will wonder. They will see that some members in this House who are the people's representatives have supported a measure allowing anybody to spend as much money as they want to influence the outcome of an election. They will wonder what they were thinking when they made that decision. Well, I can tell them that they do not think. They only reflect what the most affluent minority in this country thinks. This measure should have never been put forward. We should have understood that in a democratic country like ours, with our political system, this was fundamental.

[*English*]

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, I have the highest respect for the mover of this amendment, the hon. member for Kingston and the Islands, who I said earlier is one of the hardest working members in the House and has certainly been very involved in the committee.

However, showing my independent stance, while I have agreed with him on a couple of his amendments and disagreed with him on another one which he moved earlier today and felt more in favour of the government bill on an earlier matter, I can understand what he is trying to do on this one.

My hon. friend for Gatineau said a couple of things in his oration which really stimulated me to rise in debate. It is the very fact that we are in a democracy that this amendment gets into one of the most contentious items in this electoral reform bill. That is the right of third parties, people who are not members of a registered party, not Liberals, Tories, NDPs, Bloc Quebecois, Green, Rhinoceros and not necessarily multinationals, who just happen to be Canadians. They just may not be too happy with any of the parties, people, issues or candidates.

I give full credit to the member for Kingston and the Islands for moving this amendment because I can see he is trying to tighten up what is in the present bill. The present bill has no logic to it in that as long as it is not directly for or against a candidate it can be an open sesame and the money can pour in, the way my friend from Gatineau explained and as happened in the 1988 election. There is no doubt big money was behind the government move for free trade. The newspapers were flooded with supplements and a lot of advertising. That

was multinational. Yes, that is an odious thing. It is the interesting red herring to move on something like this.

I just happen to have a very interesting Canadian in my riding who was basically a Liberal from a large family and very uptight on the free trade issue. I am not going to embarrass him by mentioning his name, although I do not think it would matter. He phoned me at the height of the campaign long before the multinationals became involved to try to help the polls for the Tories in the last three weeks. We all know how the polls went up and down like a roller-coaster in that 1988 campaign.

This elderly gentleman is very involved in the apple business, trucks his apples to Boston and has been doing it for years. He said: "Patrick, I am very disturbed. Yes, I used to have a heritage on the Liberal side but I believe in free trade". Quite frankly I had a lot of difficulty when I was a Conservative at that time on the free trade issue. It was the toughest election I ever fought.

• (1650)

I knew what free trade opened up. There was a lot of imprecise language, certainly nothing on subsidies or the question of the dispute settlement mechanism. One turkey producer in Pennsylvania produces more turkeys than all of Canada. It is the same for the vertical integration of some of the chicken farms in Arkansas, to mention a state that has become famous recently, and/or in the deep south. It makes our chicken production pale by comparison.

My farmers were very concerned about free trade, about having an open floodgate. In any event I fought the fight. I supported the party line and I had difficulty. This gentlemen wanted to put an ad in the paper and he put it.

This is why this House is almost irresponsible in debating this issue on a Friday afternoon before the Easter recess when there is only a handful of us here, and other members are doing their thing. We all know we have to get home on the weekends.

This is an issue that should be debated by all members. We know more than the national coalition. I have no love or no hate for the national coalition. Frankly I think it does focus on a lot of interesting issues affecting Canadians.

This is an issue that affects Canadians. They may not want this closed club of parties to say they are not going to be able to spend $1,000 with some friends and put an ad in the local weekly or daily and say that they are either for or against. I know this opens up perils to candidates and to members, because then we might get the single issue candidates. Let us forget about the multinationals. That was free trade, and I agree with my friend from Gatineau. Who knows, it might happen again but we have other issues in Canada.

It could be abortion, pro-life or pro-choice. It could be the gun lobby. There are many different interested Canadians who because of their frustration with the political process and because they think their members are not serving them certainly do not want this Parliament to take away their right to place an ad.

The member for Kingston and the Islands is facing the issue and points a finger not at the duplicity but at the double standard in the bill that the government has brought forward.

It says that there can be a restriction on direct advertising but if it is indirect then it is wide open. The hon. member for Kingston and the Islands is doing a service in that people either believe in the principle or they do not. I do not happen to believe that we should cut Canadians off from their potential choice.

For my friend from the Gatineau and members here, we are members of Parliament, members of registered parties. We have a few advantages going into an election. There is something called an incumbent advantage, an incumbent benefit. Most of us send out householders. If we do not we are rather crazy. We do that at public expense four times a year. We have free mailing privileges.

We have a lot of privileges long before the campaign begins to help plant little seeds with our constituents, our electorate, that hopefully will sprout into support during a campaign.

I really was quite surprised—and that is really what got me on my feet today, although I think I was going to speak on the motion anyway. Frankly I wish this House would adjourn, because then the House could come back after Easter when the House is full up with members.

On this basic issue members should stand up and speak and give their views. I respect their views. I know the Lortie commission wrestled with this. We have to wrestle with the rights of free speech and the fact that members and candidates in an election have limits.

How can we have Canadians come in the back door and get around the limit that confronts parties? My answer is that this is democracy. When I heard a colleague in this House say that no one should influence the electorate I was absolutely horrified. I do not think it was intended the way it came out, because that is the whole purpose of an election.

I will have propaganda and I will have subtle propaganda before an election through my householders, my mailings, and through keeping in touch with my riding. That is proper, and it is proper for every member here.

Goodness gracious to them. Kitty bar the door when the writ is issued and Canadians cannot do what they may want to do. The important point is one that the amendment does not address. Frankly, I wish the bill would address it and I think the Lortie commission debated it.

• (1655)

To me it is not the money. Yes, that could be a factor. I could fall by the wayside because of what I am saying here today, giving the potential of single interest groups to get involved in a campaign and still not be involved in a party.

Madam Speaker, you know from your experience the answer is disclosure. I think that is the matter in this proposal by the government for a hybrid restriction of no more than $1,000 for direct advertising against or for a candidate. If it is an issue then it is open season. Disclosure should be in that bill. If there is a supplement in the newspaper or an ad, they have to disclose who the people are who put the money up.

If it is the multinationals—and that has been raised as a bogeyman here; it was real in 1988, I agree—well then okay. Canadians are not stupid.

Madam Speaker, you sat in the chair during the referendum debate when there were about six or eight of us back here who voted no on the referendum. We know what the Canadians did. We know as of yesterday or the day before, under the Access to Information Act, $7.4 million was spent for the yes side.

An hon. member: At least.

Mr. Nowlan: That is just what was admitted. It was all by big corporations.

I must say I have not really exceeded my limit too much today on this lovely afternoon. Madam Speaker, you are telling me I am almost out of time. I very glad the member for Kingston and the Islands and the member for Gatineau spoke because they got me activated and stimulated.

To me disclosure helps take care of part of the problem. The Canadian people are not stupid. They showed that in the referendum with massive advertising for yes, with the three national parties saying yes, with every political leader in this country in premierships saying yes and with the advertising heavy, the public said no.

That is the lesson I think members in this House should take to heart. They should be against any restrictions on the right of the Canadian people to get involved in their way in election campaigns.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Madam Speaker, this is the worst thing I have ever seen. First of all, that does not coincide at all with the will of the Conservative Party. I will tell you why by quoting what the Prime Minister said on November 17, 1988. The Prime Minister on November 17, 1988, just before the 1988 election, was reported to have said: "An act requiring that all federal political parties rely on financing by the general public will be passed right at the beginning of the second term of the Conservative Party". That commitment was given by the Prime Minister yesterday in Montreal during an exclusive interview with *La Presse*."

The Prime Minister said that he wanted to promote grassroots financing. What is happening? If I were a Conservative member today I would be ashamed. On top of not proposing financing by the population, the government is allowing big companies and big unions to finance political parties and, moreover, it is allowing third parties to finance or promote political parties. The Prime

Minister said: "I want the Canadian people, each and every one, to finance political parties".

We are far from seeing that. Beside not using grassroots financing, the government is allowing third parties to support political parties. This is serious. I did not think the government would go that far. I did not think that it took Canadians and Quebecers for idiots. There is a limit to the contempt it has for people. The government is showing complete contempt for Quebecers, particularly because in Quebec we are used to financing by the population. We are accustomed to having our political parties financed by individual Quebecers and that is working quite well.

• (1700)

During the last referendum, we lived an experience which was rather easy to understand. We as members of the committee for the no in Quebec were financed by the people, by the voters. I can assure you that when people are determined to be heard, they will not hesitate to pull $5, $100, $200, up to $3000 out of their pockets to defend their interests and beliefs.

It is not necessary, far from it, to ask large unions and corporations to finance parties in their own interests. Government represents the people. It represents individuals and not just businesses and industries.

Mr. Langlois: Do your friends from Longueuil agree with that?

Mr. Leblanc (Longueuil): Everybody in Quebec does. The member for Sept-Îles or Manicouagan—

Mr. Langlois: If you are going to talk about Sept-Îles you had better watch what you say.

Mr. Leblanc (Longueuil): Yes. It is a fine city. By the way, I went to Sept-Îles many times. It is very nice, right on the shore of the Saint Lawrence Gulf.

Even people from Manicouagan will vote—

Mr. Plamondon: They are getting ready to vote for the Bloc.

Mr. Leblanc (Longueuil): —in the majority for the bloc, as the member for Richelieu has just said, according to the latest polls.

It is nevertheless shameful and appalling. Truly appalling. I cannot believe what I am hearing. The Prime Minister, supported by the Conservative MPs, has taken a position by saying: "At the next election, there will be grassroots financing. People will contribute to the campaign fund. That way the people's interest will be protected". This is not what is happening. As a matter of fact as I have just said it is exactly the opposite.

Similarly I said that during the referendum, which I gave as an example, the people of Quebec made a choice and financed the No Committee at the grassroots level and the results were very good.

In Longueuil, for example, we were able to collect in a relatively short period of time, in the two counties making up my riding, about $50,000 at the grassroots. The highest single contribution came from an important contractor I will not name. That was a personal contribution, not a corporate one. Those are two different things.

Besides, we have seen that the Quebec Chief Electoral Officer had serious doubts as to the acceptability of subliminal publicity proposed by the federal government and financed by large companies, especially English ones. Every minute of every day, there was publicity on television, on the radio, everywhere and, strangely, it was not accounted for in election spending.

How can the Chief Electoral Officer control election spending as long as we allow third parties to promote one party or another or one economic sector instead of another? How can the Chief Electoral Officer control spending during a campaign?

I cannot get over it, especially as a Quebecer, because these things changed in Quebec a long time ago. I cannot believe that Conservative as well as Liberal members from Quebec do not object to such a thing. It baffles me since it all started in Quebec. It is Quebec that asked the Prime Minister for reform. The Prime Minister himself mandated Pierre Lortie and his commission, known as the Lortie commission, to undertake a full review in order to make our election system even more democratic. The province of Quebec started all this. Why are there no Conservative or Liberal members from Quebec here in Ottawa who have the guts and the courage to speak? Have their caucuses really asked them to keep quiet? I think so. How could it be otherwise? They were officially ordered to say nothing about this bill. How could it be otherwise? You cannot possibly believe the opposite, Madam Speaker, because it goes against the

mandate the Prime Minister himself gave Pierre Lortie and his commission.

• (1705)

From what I see today I can understand why the country is going bankrupt. We are not logical. We have no over-all project. We always stand for personal or individual interests instead of promoting an over-all project which would allow us to go foreward. That is why the majority of Quebecers decided to withdraw from the Canadian federation. They were sick of this government in Ottawa doing stupid things and putting forward senseless projects relating to transportation, or duplication between federal and provincial departments. The same thing goes for transportation which we discussed yesterday.

Life goes on and the country is faced with a total debt of $500 billion, which is about as much as the gross national product. If you know how to count you know we are going bankrupt.

Mr. Louis Plamondon (Richelieu): Madam Speaker, I am pleased, after the independent member from Nova Scotia and the member for Longueuil, to also say a few words on this amendment. Proposed by a Liberal member, the same member who moved a motion earlier.

This amendment is so essential to the smooth functioning of democracy in Canada that I do not understand, as my colleague the member for Longueuil was saying, how we can let it pass. Why is the government rushing this bill through, on a Friday, just before leaving for two weeks for the Easter break? The government tries to slip this by quietly, in complicity with the two other parties. Even if he moved the amendment, the Liberal member for Kingston and the Islands who is listening intently to my speech did not ask other members of his party to back it.

Mr. Milliken: It is not necessary, the amendment is so good.

Mr. Plamondon: The Liberal Party is somewhat of an accomplice to the party in office. Why does it do that? Because it does not want a vote. It is scared to vote. Because it is an accomplice it crosses to the other side. It can sit on either side of the House. It is very comfortable because it is defending the same ideas, the same interests, that is the financial interests of privileged few.

I would like to make a comparison between clause 2 that we examined earlier this afternoon and this motion. When we talked about allowing small parties to have a showing in an election, the government kept them away by requiring a deposit of $1,000 per riding for the right to make their voices heard. That is the case of the Green Party that wanted to work for the environmental cause, of the Social Credit Party and so on. Several political parties are using election campaigns in order to force candidates to take a stand on substantive issues. That is totally contrary to the UN Universal Declaration of Human Rights, article 19 more specifically that I will quote.

• (1710)

Article 19 says: "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media regardless of frontiers".

By refusing the NDP amendment to clause 2, the government violates the Universal Declaration of Human Rights of the United Nations that Canada signed. I think that it is the Green Party's intention to ask the United Nations for a vote condemning this violation of human rights.

That is the government's position regarding the freedom of expression of small political parties. Let us now look at the amendment in terms of that freedom of expression. The amendment would limit the right of corporations to intervene by supporting a political party or, during a campaign, by paying for advertising on behalf of organizations like the coalition for something, or participate in the campaign by using unlimited advertising resources. That amendment was ignored by the government. What was its response? No, no, no. According to the Charter of Rights and Freedoms, multinational companies are entitled to freedom of expression.

However, Mr. Justice Michaud in the Lipton case said that failure to limit intervention by third parties not directly involved in an electoral campaign or having private interests to protect would put democracy in serious danger. That is they intervene in the election

campaign to boost the chances of a certain party in order to benefit from it later on by obtaining contracts and party favours. That is where the danger lies.

The government ignored the Lortie report which did not go very far. It fails to keep the Prime Minister's commitment of November 17 and the commitments of witnesses like the hon. member for Mégantic—Compton—Stanstead who gave a quite exceptional testimony at the Lortie commission when he asked: "Can the workers of my riding who barely earn $15,000 a year seriously believe that an engineering firm, a large bank or a businessman can pay $50,000 to a political party without hoping for a return on their investment? Can they seriously believe that they have as much weight as those people in the decision-making process?" To ask this question is to answer it.

Why would the big multinational companies and the big consortiums nurture political parties if they did not intend to make them fat in order to have them serve their interests afterwards? In this matter Quebec has been at the forefront by being the first province and the only North American state to table a bill which prohibits any person who does not have the right to vote from financing a political party. This eliminates unions, non-profit institutions and corporations.

The number of political contributions has increased in Quebec because political parties there have regained the support of individuals who have the right to vote. Those individuals have decided to finance them, to keep them to serve their interests. These parties now serve the interests of individuals and not those of a wealthy minority.

The Prime Minister said he understood that sentiment. On November 17 a front page article my colleague quoted from *La Presse* said: "Mulroney has committed himself to have the general public finance political parties. Mulroney has committed himself to put an end to all the scandals that befell the Conservative Party during its first four years in power". One of the favoured tools they are looking at is that of grassroots financing, an in depth reform of the financing of political parties. But now no mention is made of that commitment in this proposed reform. Corporations, privileged classes are allowed to take over the Conservative Party and other parties as well so they will be in a position to serve their own interests rather than the public interest.

• (1715)

There is no willingness to even make the change suggested in my hon. friend's amendment, Motion No. 18, whereby the vote could not be influenced directly or indirectly—and there is emphasis on the word indirectly—through major advertising and financial support to political parties partial to wealth. In that sense my colleague was right when he wondered how Quebec members in this House could turn their backs on Quebec's greatest political heritage since one of the most significant political moves world-wide was the *Loi sur le financement des partis politiques* allowing only voters to contribute to political parties.

This is the heritage of which we have been proud now for over 15 years, since 1977. These members should be here to ponder upon this fact and to encourage other members of their party to do the same. Unfortunately they let themselves be moulded and they fall in like sheep in this federalist line-up, oblivious to the interests of their people, their nation and their Quebec which they are supposed to protect. Fortunately, soon we will see here a group of 50, 60 individuals—men and women—willing to defend Quebec's best interests. Those who will have chosen to forget will be condemned to stay at home and spend the rest of their lives in shame and forsaken by all.

Madam Deputy Speaker: As I prepare to put the question, I will make a suggestion to the hon. member for Richelieu. He should read citation 459(2) of Beauchesne carefully. I think he will then admit that the Chair has shown patience which I would call—

An hon. member: Angelic.

Madam Deputy Speaker: I would tend to call it angelic this afternoon and this whole day, in fact. Perhaps when we come to the next motion the member will keep citation 459(2) of Beauchesne in mind.

[*English*]

Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: The question is on Motion No. 18.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

Motion No. 18 negatived.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands) moved:

Motion No. 21.

That Bill C-114 be amended in Clause 112 by striking out lines 2 and 3 at page 63 and substituting the following therefor:

"tising expenses between the date of the issue of the writ".

Mr. Plamondon: I rise on a point of order, Madam Speaker. We are about to debate Motion No. 21, the last item unfortunately. It would be good to have a quorum for it, so that everyone clearly understands the last speeches.

• (1720)

Madam Deputy Speaker: Am I to understand that the hon. member has realized it is Motion No. 21 on page XIII.

Call in the members.

And the bells having rung:

Madam Deputy Speaker: Since we have a quorum, the hon. member for Kingston and the Islands has the floor.

Mr. Peter Milliken (Kingston and the Islands): I would like to thank my colleagues on the other side of the House for their support and I hope that they will vote for my motion, for my amendment, because that is the question before the House.

I also want to say that it is a pleasure to see the Bloc Quebecois members here on a Friday afternoon, because they are gone almost every Friday. It is true, Madam Speaker, you—

Madam Deputy Speaker: The hon. member for Richelieu on a point of order.

Mr. Plamondon: Madam Speaker, I demand that you be as severe with him as you were with us. He must not say that any member is away from the House if that person has perfectly valid reasons. We were away for valid reasons.

Mr. Cadieux: Madam Speaker, it is exceptional, I must admit, that I agree with my hon. colleague, but I must also admit that I agree with my Liberal colleague's remark about the Bloc Quebecois attendance on Friday afternoons.

Some hon. members: Hear, hear.

• (1725)

Mr. Leblanc (Longueuil): Madam Speaker, I would like to make the members here in the House aware that, on a proportional basis the Bloc Quebecois has a larger attendance now than the members of the Liberal, Conservative and New Democratic Parties put together.

Mr. Cadieux: Madam Speaker, the members of the bloc are once again showing Canadians that they know nothing about arithmetic.

Mr. Milliken: Obviously I have struck a nerve. That is sad since I really enjoy discussing electoral matters. I spent a lot of time with the Committee on Electoral Reform and I think it is a shame that no one member from the bloc ever showed up to state his position to the committee. Perhaps one could ask to be heard by the committee.

Madam Deputy Speaker: Perhaps the Chair could put in a word on this Friday afternoon at 5.25 p.m. The hon. member for Richelieu rises on a point of order. I think everyone knows that he wants to protest against the suggestion that he should have asked to be heard by a committee. But I think that if we all took this debate a little more seriously perhaps we would be able to leave for our ridings sometime around six, seven or eight o'clock.

Therefore, I would appreciate it if hon. members from all sides would behave so that we can complete this debate in an orderly fashion that would be more respectful of this institution.

The hon. member for Richelieu insists on being recognized once again.

Mr. Plamondon: I will be very brief, Madam Speaker. It is unparliamentary to comment on attendance in the House or in committee. I wanted to say that every time we show up to a committee the three parties gang up together to prevent us from speaking. That is why the bloc is often absent from committee meetings.

Madam Deputy Speaker: That is not a point of order but a point of debate. The hon. member will have all the time he needs for debate in due course.

The hon. minister also rises on a point of order.

Mr. Cadieux: Madam Speaker, once again, I must agree with my colleague of the Bloc Quebecois. It is totally unparliamentary to refer to attendance in committee, to the extent of course that one is in attendance.

Mr. Milliken: Madam Speaker, it is not at all because they are bloc members. They are simply not committee members so they do not have to attend.

Mr. Plamondon: You don't want us to attend.

Mr. Milliken: I had hoped they would ask to be heard by the committee because I am very interested in their views.

Mr. Plamondon: They did not want us to attend!

Mr. Milliken: No, I never said that, and I was on that committee.

Mr. Plamondon: The committee said no.

Mr. Milliken: That's news to me. I had no idea you had requested to be heard.

The important thing is that today we can discuss the amendment I presented to the House.

[*English*]

I am surprised that this amendment was not grouped for debate with the other amendment that I moved a few moments ago because basically it does the same thing but in a much more forceful way. What it does is make it an offence to incur an advertising expense as defined in the act during a writ period. In other words, it would stop any expense. I believe that the amendment really gives some teeth to the proposal with respect to advertising in the government bill.

I want to make it very clear that while this amendment with respect to advertising came out of the committee as a committee report and was supported by all the members of the committee, it was because no other agreement could be arranged that would have included what I have sought to move in the amendments here today. We were not in favour of the very limited restriction contained in this bill. We wanted a fuller restriction. We pressed for a fuller restriction in the committee, but we were unable to agree on one.

• (1730)

I want to make it very clear that we do not think this particular restriction is going to work. We feel that in the course of an election campaign there will be opportunity for wholesale abuse of the advertising provisions that are contained in this act and that will be in place in respect of the political parties. We are very concerned about it and I will be expressing those concerns further on third reading as I did at second reading. I look forward to that debate very much.

That is all I have to say in respect of this amendment. I hope that it will be acceptable to the House.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, there have been discussions among the parties and under the provisions of Standing Order 78(1), I move:

> That, in relation to Bill C–114, an act to amend the Canada Elections Act, .1 hours shall be allotted to the consideration of the report stage and .25 hours to the consideration of the third reading stage of the bill;
>
> That at the expiry of the time provided in this order any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question necessary to dispose of the report stage and third reading stage of the bill shall be put forthwith and successively, without further debate or amendment.

[*Translation*]

Madam Deputy Speaker: The hon. member for Richelieu has the floor on a point of order.

Mr. Plamondon: May I ask the hon. minister to say that again in French, or to repeat slowly? The interpreter could not keep up, and I do not know what he was saying.

[*English*]

Madam Deputy Speaker: Mr. Andre, seconded by Mr. Cadieux, moves that there have been discussions among the parties.

An hon. member: Could you read it in French.

Madam Deputy Speaker: I do not have it in French in front of me—there have been discussions among the parties—and I would not want to insult our translators who are always so very good. Under the provisions of Standing Order 78(1) Mr. Andre moves:

> That, in relation to Bill C-114, an act to amend the Canada Elections Act, .1 hours shall be allotted to the consideration of the report stage and .25 hours to the consideration of the third reading stage of the bill; and
>
> That at the expiry of the time provided in this order any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question necessary to dispose of the report stage and third reading stage of the bill shall be put forthwith and successively, without further debate or amendment.

• (1735)

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

Some hon. members: Agreed.

Some hon. members: No.

An hon. member: Point of order.

Madam Deputy Speaker: Just a minute. I have put a question to the House. I cannot accept points of order once a question has been put. Those are our rules.

All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

Carried on division.

Motion agreed to.

Mr. Nowlan: Madam Speaker, the reason I am rising on a point of order, even though you did read the motion slowly, is that I heard .1 hour. I am not sure if that is six minutes or what. However, I was more interested in the third reading. How much time does the motion the House just passed provide for?

An hon. member: 15 minutes.

Mr. Nowlan: And six minutes. Absolutely incredible.

[*Translation*]

Mr. Plamondon: Madam Speaker, I would like to make a slight correction to what you said concerning translators. I have nothing but compliments for the interpreters in the House of Commons. I had no intention of criticizing them. All I said was that the minister spoke so fast I could not keep up with the translation of his statement.

That being said, I find that things are going too fast for the House to understand exactly what is happening. You quote Standing Order 78 which states:

> —there is agreement among the representatives of all parties to allot—

That is the condition to adopt the resolution. Now there is a party called the Bloc Quebecois which never agreed to that. I do not think we can proceed that way. The Bloc is recognized in the House.

Madam Deputy Speaker: The hon. member very well knows that the group represented by his political formation, the Bloc Quebecois, is not officially recognized in the House, and we are not going to change that this afternoon.

Thus, the motion is in order. I have in turn tried to read it a little slower so that it can be translated so as to allow the hon. member to understand it. At this moment the motion is agreed to on division, but agreed to nevertheless. Thus we go on to the first part.

The hon. member for Richelieu on a point of order.

Mr. Plamondon: Madam Speaker, I would like to know exactly what the signifiance of this motion having been agreed to is: What happens now? Will we go on with report stage? Do we go on to third reading? I am not quite clear.

Madam Deputy Speaker: We will finish report stage. We still have six minutes left at report stage. Then there will be concurrence and debate on third reading will last 15 minutes.

Mr. Plamondon: Is that all?

Madam Deputy Speaker: Well, 6 plus 15 is 21, I think. Six minutes for report stage and fifteen for third reading, thus a total of 21 minutes.

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, my colleague from Kingston and the Islands has a second amendment on advertising during election campaigns. The committee on electoral reform—

Mr. Plamondon: It is unbelievable. This is dictatorial, Madam Speaker, just like in South Africa and other such dictatorships. It is just pure dictatorship. Gangsters would not do that.

Madam Deputy Speaker: The hon. member for Gatineau still has the floor.

• (1740)

Mr. Assad: Madam Speaker, the fourth amendment from my colleague, the member for Kingston and the Islands, refers to the fact that we had asked that there be no third party publicity during an election campaign. The idea behind this is that during the 1988 campaign—

Mr. Plamondon: Point of order, Madam Speaker. We do not have a quorum.

Mr. Assad: Madam Speaker, may I speak?

Mr. Plamondon: Come out of hiding, you bunch of dictators.

Madam Deputy Speaker: I am sorry, I must interrupt the member. We must call for a quorum count. The hon. member for Richelieu requested a quorum count and I am calling for it right now. However, I would be grateful if he would use another tone.

Mr. Plamondon: I was not addressing you, Madam Speaker.

Madam Deputy Speaker: Granted, but my duty is to make sure everyone respects order and decorum in this House and by acting in such a way, you are being disrespectful towards me and what I stand for in this House.

Call in the members.

And the bells having rung:

Madam Deputy Speaker: There is now a quorum. The member for Gatineau—La Lièvre.

Mr. Assad: Madam Speaker, to get back to the debate, the hon. member for Kingston and the Islands came back with his amendment that would prohibit third party advertising during an election campaign.

• (1745)

In 1988 there was an incredible amount of advertising in the various media expressing views on free trade, and it was obvious to the public that this type of advertising favoured the party in power which supported the free trade agreement as the best option for our country.

In fact there is always the risk and that is why we propose this amendment that organizations like the National Citizens' Coalition, for instance, and I do not mean this as an insult, might present an option that would not necessarily reflect the will of the majority. Because of their substantial resources they would be able to use—and we saw that in 1988 with free trade—TV, radio and the press to try and convince people that theirs is the best option for the country. That is where the danger lies. This amendment is intended to prevent that.

In an election campaign only recognized political parties should be allowed to set forth policies. If groups or individuals wish to take part in the democratic process they should belong to a political party and do their advertising within a democratic framework.

However, if individuals who are very wealthy or organizations with major resources are allowed to do this, the result may be a media blitz with an impact out of all proportion to the group's status. We always want to reflect the interests of the majority. But if minority groups have tremendous resources, it will be hard for them to understand what is happening in the process. That is why in an election campaign we must have restrictions to ensure party policy is reflected by the party honestly.

If they are allowed to call upon tremendous outside financial resources, it will skew the democratic process and that is why the hon. member's amendment proposes to avert this potential risk. Because our society truly believes in a democratic system that is fair and just that one day and since we are all pretty young, I am convinced we will see the day when in election campaigns third

parties will no longer be able to apply their considerable resources to try to influence policy. This is up to the political parties; and those who want to participate in the process can do so through the democratic system. Political parties will express their views or go door to door.

Madam Deputy Speaker: Pursuant to order adopted earlier today, it is my duty to put forthwith every question necessary to dispose of the report stage of the bill.

The first question is on Motion No. 21.

[*English*]

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

Motion No. 21 negatived.

• (1750)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons) moved that the bill, as amended, be concurred in.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

An hon. member: On division.

Motion agreed to.

[*Translation*]

Mr. Andre: moved that the bill be read for the third time and passed.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, the process which resulted in this bill started four years ago. It all started on April 3, 1989 in the Throne Speech at the beginning of the second session of this legislature. In the Throne Speech, His Excellency the Governor General said that his government would appoint a commission of inquiry whose mandate would be to make recommendations on changes that should be brought to the country's election.

Today we have a great bill following a study by this commission of inquiry and a year-long study of the commission's report by a committee of the House which proposed a bill greatly similar to Bill C-114.

[*English*]

The problem is not so much what is in this bill but what is not in it. As members of the Liberal Party and members in opposition we fought very long and hard in the Special Committee on Electoral Reform to have included in this bill various items that have been omitted.

I have moved some amendments here today which have been defeated that sought to improve the bill in so far as the bill itself went. I also tried to move two amendments which were ruled out of order which dealt with the rights of women under our electoral law. They would have enhanced the ability of women to run for public office, for membership in this House and would have provided incentives to the parties to recruit and allow them to stand as candidates. This would be with a

view to increasing the representation of women in the House. Those amendments were ruled out of order by the Chair. I can understand the ruling and I can see why they were ruled out of order.

When the committee made specific recommendations on one of those issues and the government chose to remove it from the bill, I found it difficult to understand why we are unable to move an amendment that the committee had proposed in its draft legislation and which is then out of order simply because the government bill does not include it.

Be that as it may, we have been unable to deal with those aspects of the electoral law in the course of this bill. The committee is continuing its work. When I say it is *ad nauseam* we do sit very long hours and have discussed this matter most extensively in committee, that and other matters.

We sat most of this past week. We did not sit today but we were sitting yesterday and I believe on Monday and Tuesday. We will be sitting on Monday when we resume. We are trying to reach agreement on various points but my general observation—I know the government House leader will probably disagree with me when I say this—is that in our view we are very concerned that the government is not really interested in electoral reform. What we are getting here is electoral fiddling.

This bill represents the culmination of work that has gone on since 1987 at least. Many of the amendments in this bill are ones that are not controversial. They will enhance our electoral law and were recommended by the chief electoral officer in his report which was tabled in this House in 1988.

• (1755)

We have not broken a whole lot of new ground. There are some new things: The special ballot rules are going to be a significant improvement and will broaden the franchise by allowing people who were previously disenfranchised to vote. The rules respecting the right to vote for non-resident Canadians is an improvement.

There are other things that are not improvements. We tried to get some of those fixed today with these amendments and failed. We will continue to try in the committee where we are pressing on with other matters.

I want to turn to some of those other matters and stress their importance in this House. By passing this bill today, I recognize that we have assisted in the passage to some extent. We have recognized that we are going to lose the votes. We have allowed that to happen without forcing standing divisions which would have held it up.

Mr. Nowlan: I rise on a point of order, Madam Speaker. I will be very short. I listened with interest to my friend for Kingston and the Islands. I just want to say publicly and to the House that we talked about electoral reform.

We have to reform our House rules. In view of what the hon. member for Kingston and the Islands said, there has been a blot put on any further work of the committee because of the fact that the opposition has allowed such—

Madam Deputy Speaker: Order, please. The hon. member is an experienced member. He knows very well that he got into debate on a point of order.

Mr. Milliken: I regret the hon. member for Annapolis Valley—Hants feels that he is sort of responsible. The hon. member knows perfectly well he has had plenty of opportunity to debate in this House this afternoon. The hon. member knows perfectly well he has had plenty of opportunity to debate this. He did not come to the committee.

[*Translation*]

Mr. Plamondon: Hypocrites.

Madam Deputy Speaker: The hon. member's language is quite deplorable.

Mr. Plamondon: Hypocrites. Carry on with your dictatorial way, as they do in South Africa.

Madam Deputy Speaker: Order, please. Really.

Mr. Plamondon: This is an abuse of power, Madam speaker.

Madam Deputy Speaker: The hon. member with the big smile knows as well as I that it takes two to tango. I too have my glasses on. I see as well as the hon. member.

Mr. Milliken: Madam Speaker, I would like to go on with my remarks concerning this bill because I think we can adopt it today so that the Chief Electoral Officer may continue to work towards implementing its provisions.

[*English*]

If the Chief Electoral Officer is not able to proceed with the special ballot rules promptly he will not be able to have them in place in time for the next election.

We are agreeing to passage today because we believe it is in the best interest of the Canadian public to have this bill in place in time for the next election.

That is the only reason we are doing so. It is not because we think everything in this bill is great. We have told the House and we have told the country what we think is wrong with this bill.

• (1800)

We will have another opportunity to debate the electoral law of Canada in this House when phase two is presented to this House, as it will be in the next few weeks. When phase two comes here concurrence in the committee report can be moved. If the hon. member is so keen to debate it why does he not move concurrence in the report of the special committee which is before this House right now and is still sitting there and has not been concurred in? He can have a debate for a morning any time he likes on the committee report and I invite him to move a motion of concurrence. He can do that.

Mr. Plamondon: We want to participate.

Mr. Milliken: There is no need for the hon. member to sit and squawk today and say his rights are being taken away. There will be another report and he can move concurrence in that report and debate the electoral law, too. That is two mornings at least before the government can shut it off. If he is smart and moves it on a Wednesday afternoon he can have the whole afternoon to debate it until the government moves adjournment of the debate. I invite him to do that.

As for me and my party, we have our regrets about this bill and we have made those very clear, succinctly but clearly, in the course of the debate today. I regret that this is being pushed through on a Friday afternoon and I had asked the government House leader to give time for this bill earlier in the week. Unfortunately he said he was unable to do that, which I think indicates the priority the government places on electoral reform. Nevertheless, we are faced with it today.

We have to proceed with something in order for the Chief Electoral Officer to get this in place for the next election. I think most Canadians will be well served by those provisions that will be put in place, specifically the changes relating to the special ballot rooms which will enable more Canadians to vote than has been possible in the past.

[*Translation*]

The hon. members represent Quebec. In that province the elections act already gives voters the right to vote even if they do not reside in the province. The rules are not the same for the country, and we would like all Canadians to be able to vote during a general election regardless of where they live.

Mr. Plamondon: We agree with that. We will debate on that.

Mr. Milliken: I am pleased to see that the hon. members agree with that. However, if we do not pass this bill today, it will be impossible to complete the necessary arrangements and have these sections in effect on time for the next general election. I hope that all members in this House will support this bill, because it is an important measure for all Canadians. Even if we disagree over some clauses, we can still support this bill today, even though all our motions were defeated.

[*English*]

The hon. members in this party have their grave regrets, as I have said. We are not very happy with what is not in this bill, but we are reasonably happy with what is in it. That is what we have been talking about. That is what we were restricted to talking about and that is what we were restricted to voting on today in this House. It is only what is in it and what we might add to what is in it that we can talk about. We cannot talk about or vote on those things that are either not in it or that cannot be added to it because they are not already dealt with in the bill.

I have referred to the two amendments that you have ruled out of order, Madam Speaker. We regret that. We wish those things were in the bill. We wish there were many other things in the bill that are not there. But given that we have what is here on this piece of paper and that is what we have to vote on today, as an opposition we are prepared to say that is what we will go ahead with. We believe it is in the best interests of Canadians even though we wish there was a lot more in it. It is not there however and we are stuck with having to proceed with what is here. We are reluctantly agreeing to this today in

order to allow for more Canadians to participate in the election, whenever it is held.

I think I speak for most Canadians when I say that we want an election at the earliest opportunity. Canadians are most anxious that there be an immediate election. I would invite the Prime Minister to go to Rideau Hall tonight to dissolve Parliament and call an immediate election so that we can have it over with. Then the leadership convention my hon. friends opposite are having could be deferred to a later date. We could have the election and then they could choose their new leader. I think Canadians would appreciate the opportunity to express their views on the current government's position and its failures in the last eight years.

[*Translation*]

Madam Deputy Speaker: In accordance with the order agreed earlier today, pursuant to Standing Order 78(1), it is my duty to interrupt the proceedings and to put forthwith every question necessary to dispose of third reading of the bill now before the House.

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

Some hon. members: Agreed.

Bill read the third time and passed.

Madam Deputy Speaker: It being six o'clock, this House stands adjourned until Monday, April 19, 1993, at 11 a.m., pursuant to Standing Orders 28(2) and 24(1).

The House adjourned at 6.05 p.m.

HOUSE OF COMMONS

Monday, April 19, 1993

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

HOUSE OF COMMONS

REVIEW OF SALARIES, ALLOWANCES, BENEFITS AND PENSIONS OF MEMBERS OF PARLIAMENT AND SENATE

Mrs. Barbara Sparrow (Calgary Southwest) moved:

That, in the opinion of this House, the government should contract an independent non-government agency to review all salaries, allowances, benefits, and pensions of members of Parliament and senators and make recommendations on these to the House.

She said: Mr. Speaker, I am very pleased to be able to speak to Motion No. 660 today. It has been a number of years since the compensation of members of Parliament—the salaries, pensions, and tax free benefits—has been reviewed. I feel very strongly about this.

When I was first elected to this House in 1984 I was unaware of how the pensions were calculated for members of Parliament and it truly shocked me that they did not parallel those in private enterprise.

In 1952 under the Members of Parliament Retiring Allowances Act we started laying down the rules and guidelines with regard to pensions for MPs and how these were applicable. Since 1981 members of the House of Commons have contributed 10 per cent of their sessional indemnity plus 1 per cent, making a total of 11 per cent, into the pension fund. The House of Commons contributes 11 per cent.

A member of Parliament must serve six years in order to be in line for a pension after he or she retires or is defeated. Sometimes members of Parliament can be extremely young after six years of service. I feel very strongly that our pensions should be reviewed again taking a look at private enterprise. Any pension that is due to an elected member of Parliament should come after a certain age, be it 55 years of age plus the number of years of service equalling a certain number.

Some people are age 30 when they come here and after working very hard choose to retire after six years. Therefore they are age 36 when they take a pension. That does not seem right to me and I am very pleased that this motion has come forward so I can express my concerns and the concerns of the constituents in Calgary Southwest.

• (1115)

Four or five years ago I wrote a letter to the Speaker—not to you, Sir, but a previous Speaker—requesting that an investigation and study be done in this particular area. I wrote a letter to the Board of Internal Economy. I even wrote a letter to some of my colleagues in the House in all parties stating that I felt it was time that members' pensions be looked at.

Are members of Parliament contributing enough or not enough? Should the House contribute an equal amount? Should we be able to take a pension after six years of service no matter what our age may be? Should members of Parliament who go on to another career in the Public Service be allowed to double dip? That means they could collect a pension from the House of Commons and be employed by the Public Service, getting a wage and a pension at the same time. These are all areas that need to be studied very carefully.

I did not get very far. I decided I would table a private member's motion which I did a year ago last March. As all of us are well aware it sometimes takes a period of time for these motions to get drawn.

I did not give up there. I spoke to the President of the Treasury Board who is the minister responsible for members' pensions and the legislation. I encouraged him to have a total review. I also worked with many of my colleagues throughout the House stating we simply had to come into line with private enterprise.

After two or three years of hounding the President of the Treasury Board he announced the first week of February that he would appoint an independent actuarial company to examine the entire MPs compensation package. This is good. The total package will be reviewed, not only the salaries, but also our allowances, any benefits, any perks, any contributions to the pension fund and the tax-free portion.

Today MPs have a basic salary of $64,800 which is earned income and on which we pay tax. Also, members of Parliament receive a tax-free per annum of about $21,400. This is non-taxable and helps many of the people in the House with their expenses.

A lot of things people right across Canada do not understand is that when many of us have to go from one building to another such as over to external affairs, to fisheries and oceans and indeed over to visit the people at Environment Canada, we take a cab and that cost comes out of our pocket. There are many parking expenditures. We attend many day and evening functions. Some we are obligated to attend and some we do quite of our own volition. We have many expenses which are not really listed and it is very difficult for people across the country to understand.

I could honestly say that just this past 10 days, the two weeks we were home in our ridings, it cost me between $500 and $600 for parking tickets, gasoline and the various functions that I attended. This comes out of the tax free portion of our compensation package.

It can be argued that maybe the tax-free portion should be dismissed and our salary increase and we be compensated on a receipt presented for all our expenses. That may be a way but before we ever decide, we would have to take a look at how much the administration of such a system would cost the taxpayers.

There is an average throughout the country of how much MPs spend with regard to making things available within their riding, being accessible and attending certain functions. I am very pleased the President of the Treasury Board went ahead and said we would review the whole package.

As I said earlier, the basic salary today is $64,800 which is taxable. We will review the non-taxable portion, which is $21,400. We will review the amount of money which each member of Parliament contributes to the pension fund. We will review how much the government puts into the pension fund. We will review whether there should be double dipping and at what age a member may draw his pension. All these are very important, there is no doubt about it, but we have to come in line with private enterprise so that everybody across this country is treated equally and fairly.

• (1120)

There has been a lot in the papers over the last number of years concerning the pensions of members of Parliament. According to them, everyone is going to get the maximum amount. That is not true. Over 50 per cent of the members will not collect a pension because they will not have sat the six years required. Second, of the 50 per cent of the members left, probably around 5 per cent will collect the maximum, which means they will have served for 15 years or more. We are looking at a very small portion of members of Parliament who will serve the full length of time required and receive a full pension.

Having checked the pension fund last week for members of Parliament I found it was in a surplus position of about $30 million. It takes the members of Parliament working today to create the funds for the members of Parliament who retired yesterday or before.

I am very pleased after three, four or five years of working with my colleagues and working to get the President of the Treasury Board to review our compensation package and put it out to a non-government actuarial firm. Of course, the recommendations would have to come back to the House so we could have a full debate on that specific issue.

I thank my colleague from South Shore who seconded the motion today. I know he has been an active person concerning the fair treatment of pensions.

An hon. member: He is a good Canadian.

Mrs. Sparrow: Yes, he is a good Canadian and he represents his constituents in Nova Scotia extremely well.

Whether the recommendations that come back to the House say the salaries should go up and the pensions go down, or our contributions should be less than 7 per cent, will have to be reviewed.

The other part of it is indexation. Pensions are not indexed until the members receiving them reach the magic age of 60 and then they are indexed according to the CPI that has been involved since the time of retirement.

While I recognize that there is a lot of controversy, I do want the people of Calgary Southwest to know that this is now on the table and will be reviewed. Once the statistics and the criteria are set down, we will understand that pensions have to come in line with private enterprise and that is what we are hoping for.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to take part in this debate this morning, on our first day back in Parliament.

[*English*]

I must say that when I first saw the motion on the Order Paper I wondered why we were debating it because I thought it had already been decided by the President of the Treasury Board. If it has been decided, why is it necessary to adopt a motion that has already been decided? Nevertheless, it makes for interesting conversation in the House for no other reason than it states again our commitment to doing what the motion says.

The member for Calgary Southwest said some moments ago that the President of the Treasury Board had agreed to establishing a commission to review the salaries and benefits of members of Parliament. To this date I have no knowledge of who is to sit on that commission. Perhaps the members have been appointed. If they have I do not recall a press release or a media advisory announcing that members of the commission had been appointed.

Perhaps the purpose behind this motion is really to incite the President of the Treasury Board to do that which he promised; not to just announce the commission would exist, but to actually appoint the commission and get it going.

• (1125)

I am not trying to put words in the mouth of the hon. member across the way. Perhaps she is trying to push the minister along to get him to appoint that commission. That is a good idea and I have no difficulty with that. I am not ashamed of the salary I make as an MP and neither is the hon. member from Calgary. She is a very hard-working member of Parliament, as are the vast majority of MPs in the House of Commons.

In terms of accountability, it is not a bad idea to get an independent commission to review it. I would guess that at this point whatever commission is appointed will likely recommend that MPs' salaries be increased but then we will not do it. That is usually what happens. Every time one of these commissions has been appointed, the recommendation has been to increase MPs' salaries when people thought that the recommendation would be to decrease them. Because the recommendation is to increase salaries no one dares do it particularly because economic times are tough and nothing happens. So be it. At the very least we will be able to confirm that what we are doing and the amount of salary we are getting for doing our jobs here is appropriate if that is what the commission decides. Now we are getting into the business of pensions and so on.

There is an organization, which really is a business calling itself the National Citizens' Coalition. It has nothing to do with being national, has nothing to do with being a citizens' group and is not a coalition. It is a business. This business raises funds by sending out huge flyers which include a little block at the bottom telling Canadians to send it their dough and it will continue to fight to lower MPs' salaries, cancel their pensions and whatever other things happen to go through its mind at the time and whatever will work to generate funds.

Right now, because politicians are not always seen in the best of light, particularly in an economic downturn, we have become a fair and easy target for that business calling itself the National Citizens' Coalition. Of course, nowhere does the National Citizens' Coalition ever say that MPs pay $7,000 or $8,000 a year in premiums for their pensions.

If those premiums were invested in a five-year GIC, a member of Parliament like the member for Saint-Denis would never recover the interest on his contributions toward the plan let alone the capital outlay he has contributed over the years. The same is undoubtedly true for the hon. member for Windsor West, or the hon.

member for Victoria—Haliburton who will be retiring shortly. I do not want to make him sound any older but he is a senior. All things being equal, he will probably not draw from this pension for as long as others will. Yet he has been a member for two or three decades and has paid the full premium.

The hon. member for Burlington is here in the House as well. He has been a member for a long time. I am not sure whether he will be a candidate again. I do not know whether he has announced that he will be running again. In any case, many members have paid the pension off fully. They have made hundreds of thousands of dollars of capital outlay and have forgone interest in their pensions and they will never collect.

However, that does not make news for the National Citizens' Coalition. What makes news is the fact that the hon. member for Shefford retired last year and it has added everything that he will draw from his pension. It forgot to put in the contributions he has put into the plan. The National Citizens' Coalition made an arbitrary decision based on how long it decided the hon. member for Shefford was going to live and attributed an amount of money to that. Actuarially, that does not make sense. It is not counted that way.

The chief actuary for Canada has indicated that the MPs' fund is not at all in a deficit position the way some organizations have portrayed it. As a matter of fact it is in a surplus position. When it talked about unfunded liabilities of the plan, that only works if there are three basic assumptions: that every member would retire today; that they will all live to be 75 years of age; and that no new member will ever be re-elected. Presumably, that would make this place a dictatorship and no one would ever contribute toward the plan again. It starts off with those three assumptions and then attributes a cost to all of that. That is sheer and utter nonsense.

• (1130)

The commission we are going to have is welcome. I am glad the minister is doing this but I wish he would appoint the members forthwith, announce them and choose a firm of unimpeachable integrity, such as a firm of actuaries. Let us do it. Maybe we can put this issue to rest at least for a little while until the National Citizens' Coalition thinks up another new scheme to raise funds for itself.

At least the money spent on this commission will make Canadians aware. Whatever recommendations it comes up with I will be ready to live with. If it thinks our salaries are too high, which I doubt, fine. If it thinks they are too low, I know we will not raise them. They will probably stay the same and that is fine too. If it decides that our pensions are too generous, we will have to live with that as well. However the story is a little different from what has been told.

I would like to take only two minutes to talk about occupational salaries. The Statistics Canada publication *The Daily* of April 13, 1993 lists a number of occupations. I will read a few of them into the record. I will not say that MPs should make the same as the highest paid Canadians. Obviously that would not be correct. It should be remembered as well that notwithstanding the way some people are trying to portray it in the media, others certainly make salaries that are as high or higher.

I can give the example of a dentist who makes on average $95,000 a year. Physicians and judges make $102,000. General managers and senior officials of companies make on average $67,000 a year. Airline pilots make $64,893. Chiropractors make $64,299. Engineers make $63,000 and university teachers make $62,000. Therefore, when MPs are paid $65,000 it is certainly a good and handsome salary. However Canadians should not be misled into believing that MPs are of the highest income order because that certainly is not the case.

[*Translation*]

In any case, I support the motion of the member opposite and I hope that the government will appoint members of integrity to this commission so that Canadians can feel reassured once and for all on this issue and we can talk about something else.

In this Parliament we have spent as much time talking about this subject as we did about national issues. I think we have been getting nowhere on it and we have better things to do. Let us appoint that commission, get it over with and turn the page so that we can talk about other things which would be more important for most of our constituents.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, before I commence my remarks I want to advise the House that my colleague, the hon member for Port Moody—Coquitlam, will be sharing time with me and we will have approximately five minutes each.

I am pleased to rise and support the motion before us today. I want to point out that in theory the motion is not needed because the government has already indicated it is prepared to act in this way. I want to put a couple of things on the record.

On February 24, 1992 the President of the Treasury Board in a debate on government Bill C-55, the Public Service Superannuation Act, said:

> At the same time I know that hon. members share my concern that some members of the public have criticized the current pension plan as too far out of line with general practice.
>
> To be credible, a review of parliamentary pension arrangements must also provide for specific input from the public. I have already indicated that the views of those independent of Parliament will be actively solicited in this study.

On that same day I was sitting beside my leader, the hon. member for Yukon, who devoted most of her second reading speech to the question of compensation of members of Parliament and senators. In that speech she said the following:

• (1135)

> I also believe that the time has come to establish a non-partisan, independent commission to deal with the issues of MP pensions; not ex-members of Parliament, as has been the case before, as many of the provinces have, to look at the whole issue of members of Parliament pensions.

She followed up on that comment in the House. On March 17 she wrote to the President of the Treasury Board as follows:

> I noted with interest your speech in the House of Commons on February 24 where you indicated an openness to establishing a committee to study changes to MPs' pensions. I urge you to act immediately to set up such a committee.
>
> The committee should be arm's length from Parliament and the government and be comprised of individuals with expertise in the area of pensions. The individuals should not be ex-MPs or senators. The committee should be empowered to examine all aspects of the MPs' pension plan.
>
> I believe it is crucial that this issue be dealt with expeditiously. I propose that the committee be required to report to Parliament within six months of being struck.
>
> I look forward to an early reply.

On June 12 the following reply came from the President of the Treasury Board:

> Thank you for your letter of June 11, 1992 concerning the promised inquiry into MPs' pensions.
>
> I did not think it appropriate to formally commence the review of the Members of Parliament Retiring Allowances Act until after Bill C-55 has received Royal Assent. However, at this time I am developing final proposals on the terms of reference for and composition of the *ad hoc* group which will undertake this review. There is no question in my mind that all aspects of the MPRAA must be examined and that the study group should be made up of individuals with expertise and public credibility in the area of pensions and compensation. Although I understand your position on the independence of the study group, I am sure you would agree that the review process must fully take into account the views and interests of existing MPRAA plan members and pensioners. Pensions are, and will continue to be, a significant element of the remuneration package which is certainly a factor in enabling individuals to seek public office.
>
> I am sorry that you did not receive my reply to your letter of March 17, 1992. I am enclosing a copy for your records.

That was back in June of last year. All the while the hon. member's motion has been sitting on the Order Paper waiting to be debated until today and no action. There was no public announcement or any indication that the Governor in Council had struck a group, whether it was *ad hoc* or otherwise, to do the work the minister promised.

On December 3, 1992 my leader again wrote to the President of the Treasury Board:

> Further to your letter of June 11, 1992 I would like to know what progress has been made concerning a review of the Members of Parliament Retiring Allowances Act.
>
> In your letter you indicated that a formal review of the MPRAA would not be possible until Bill C-55 had received Royal Assent. Your commitment to a review of the MPRAA is unequivocal since you state: "There is no question in my mind that all aspects of the MPRAA must be examined". Since Bill C-55 received Royal Assent on September 29, 1992 I have seen no indication that you are prepared to fulfil your commitment to this review. I hope that your silence on this issue does not mean you have abandoned your decision to review the MPRAA. I am therefore formally repeating my request that a committee be struck immediately and proceed with a review so that it can report to Parliament next spring.
>
> I would like to reiterate my belief that this is a very crucial issue and should be dealt with immediately. In my opinion, a committee reviewing the MPRAA should be at arm's length from Parliament and the government, and should be comprised of expert individuals who are not members of Parliament or senators, current or former. In addition, the committee should be empowered to examine every aspect of the MPs' pension plan.

In quick conclusion, before I turn this over to my colleague, the government has failed to live up to yet another promise. I hope this motion passes today in order to send a message to the government that it has to listen to Canadians. It is time for an independent review.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I agree with the remarks made by my colleague, the hon. member for Thunder Bay—Atikokan, especially as he pointed out the role of the hon. member for Yukon, the leader of our party who has pressed for a review of MPs' pensions.

I must say that while I support the motion and acknowledge the MP who is presenting it today, I smell a little politics here. Could it be that the leader of the Reform Party is running—

Mrs. Sparrow: This was long before he became active.

Mr. Waddell: Oh, so this is different. I see. Perhaps I should put my own view on the record.

Mr. Mills: This is where the Reform Party got the idea.

• (1140)

Mr. Waddell: Mr. Speaker, I believe that the pension benefits of members of Parliament should be brought into line with those available to other Canadians. It is as simple as that.

I was walking around my riding in the last two weeks going door to door and meeting constituents, as many members have done. People seemed very pleased to see me and to have the opportunity to talk with a member of Parliament. People said their concerns were about jobs, taxes, or transit in the local areas.

I represent a beautiful suburb of Vancouver that is nestled up against the coast mountains. People said they were concerned about clean air, crime and especially youth problems.

A gentleman I saw yesterday in Citadel Heights, an area of my riding, said: "There is something that sticks in my craw". I asked him what it was and he said it was MPs' pensions. We had a discussion about that. He was unaware that the leader of the NDP had raised this in the House of Commons. She said on February 24, 1992: "In short, I believe the time has come to recognize that these pensions must be brought in line with the general work force. The time has come to bring pensions for members of Parliament into line with the pensions of other Canadians".

We do need an independent commission to look at this. I stress independent. We should look at what age pensions should vest. Should it be age 55? Is six years enough or too much for people to get pensions? We should have a look at that in a fair-minded manner. We should get the statistics on how many MPs have actually collected after that period.

We should look at the issue of double dipping. That is when one gets a pension from the House, leaves the House and takes another government position, such as being a judge, and receives more money from the government. Should one be allowed to collect the pension and the other salary? Those are the kinds of things that the commission should look into.

We in the NDP support good pensions for people. We have always done that in the House of Commons. However we want them to be fair pensions.

These are very tough times for the average citizen. We have to cut back. We have to pay our fair share of taxes. We have to look at everything.

I am a Scottish Canadian and am accused of being a bit cheap occasionally. I do not believe that but some of my friends believe that. If I had my way I would cut back even the little things.

While some of us may say that the pension amount is a small amount we still have to consider that, so that there can be more money available for health and education. We have to look at all our expenditures.

While we are doing that we should look at pensions for senators. If I had my druthers I would just abolish the Senate completely and we could save a heck of a lot of money there. At some point the government might get around to considering that.

Let me sum up by saying that we MPs should be no different than average citizens. We deserve fair pensions but should not place ourselves on a pedestal and be different from average citizens. What is good for the average citizen should be good for MPs and vice versa. That is why an independent commission should have another look at MPs' pensions.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I am pleased to join the debate on this motion urging the government to contract an independent, non-governmental agency to review all salaries, allowances, benefits and pensions of members of Parliament and senators and make recommendations on these to the House.

Clearly this is a matter of some importance to all members of this House. I would first like to direct hon. members' attention to what the government has already proposed be done regarding a review of members' pensions and benefits.

When the President of the Treasury Board spoke last year in this House on the second reading of Bill C–55 he outlined the approach the government intended to adopt regarding a review of this nature. The President of the Treasury Board said the first priority was to bring the MPs' pension plan in line with the requirements of the Income Tax Act and regulations by enactment of an amendment contained in Bill C–55.

• (1145)

However, he stated that the government was aware that pension arrangements for members of Parliament had been subject to public scrutiny and therefore all aspects of the plan would be re–examined, including those features which have been criticized as being too generous.

The President of the Treasury Board made it clear that the views of hon. members would be a key element in this review since the government is very much aware of the importance members attach to their retiring allowances as part of their over–all compensation packages. Nevertheless the President of the Treasury Board added that he was aware hon. members shared his concerns and some members of the public have been vocal in their criticism that MPs' pension plans are too far out of line with general practice.

Therefore the President of the Treasury Board told members of this House: "To be credible a review of the parliamentary pension arrangements must also provide for a specific input from the public and the views of those independent of Parliament will be actively solicited in this study". I should add that this approach is quite in keeping with the government's intention with respect to the broad review of Public Service pension arrangements announced by the President of the Treasury Board in December 1991 and reiterated when Bill C–55 received second reading. That review closely involved the major stakeholders in pension plans as well as many other interested parties.

To return to the motion before us, it must be said that there is strong agreement in principle with the motion of the member for Calgary Southwest. While the government recognizes the position of some hon. members that the review agency should be independent and non–partisan I am sure hon. members would agree that the review process must also take into account the views and interests of sitting and retired members of Parliament who are pension plan members and pensioners. I know hon. members attach great importance to their pensions as a very significant element in their compensation package.

A truly independent non–governmental agency will be able to provide us with an objective assessment of our present compensation package in relation to our duties and responsibilities as members of Parliament. It will also examine all elements of our benefits package in relation to the benefits packages of others who serve in public life, such as provincial MLAs and those serving in the legislatures of other countries such as the United States of America, the United Kingdom and so forth. Once this data has been gathered and analysed we will be in a position to determine the most suitable vehicle for examining whether adjustments should be made and the nature of those adjustments.

Finally, I could put on the record the fact that it would appear most hon. members from all sides of the House, while aware of public criticism of their pension arrangements, see their pension plan as an important part of the over–all compensation package attached to their jobs as elected representatives. Such pensions make it possible for all Canadians, including those of modest means, to consider running for public office. I am aware of a number of hon. members for whom the pension plan was a critical part of their decision to seek elected office. These pensions are, in part, intended to compensate for the sacrifices involved in public life, including the lost career opportunities and the lack of controlled retirement planning which is part and parcel of that life.

We all recognize that some former members have gone on from parliamentary careers to hold other public offices, but there are many more who have returned to private life to attempt to re–establish themselves. It might also be mentioned that about half the serving members never receive any pension at all, since members must be elected twice or be here for six years to qualify for a pension. A member contributes 11 per cent

of his salary toward the pension, a feature of the plan that is not mentioned very often by critics. There are many out there who believe that we do not contribute anything at all to our pensions.

As was evident from the debate in the House during the passage of Bill C-55, I have in mind particularly the hon. member for Glengarry—Prescott—Russell, many members do not believe that their pensions are excessively generous. They look at pensions in the context of the member's over-all compensation and in the context of the sacrifices inherent in public life. Many members do not believe that the citizens' coalition has the support of most Canadians.

• (1150)

Nonetheless the government is on record as favouring a review of MPs' pensions and will be soliciting and seriously examining concerns of the public in that context.

I know that all members will be eager to make their views known and that the government may expect co-operation from all members in this process.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to rise in support of this motion put forward by the member for Calgary Southwest. I will be splitting my time with my colleague from St. Boniface.

I am a member from the downtown Toronto area. We see and hear most often the advertisements from the National Citizens' Coalition which buys full-page advertisements in *The Toronto Star*, *The Toronto Sun*, and the odd time in *The Globe and Mail*. The theme of this particular campaign of analysing the pensions of MPs is to basically discredit the system and discredit members of Parliament.

I have a background in the private sector and have been exposed to many successful entrepreneurs in this country and can honestly say, having had five years' experience as a member of Parliament, that I have met very few entrepreneurs in this country who worked as hard as 90 per cent of the MPs I have met and worked with in this House of Commons. In fact some of the hardest working entrepreneurs in this country, who are making $300,000, $400,000, $500,000, or over $1 million a year, do not in any way, shape or form do the same amount of travelling, put in the hours, give out their private telephone numbers and are not on duty almost seven days a week, sometimes 24 hours a day.

This campaign put forward by the National Citizens' Coalition is a total sham in that it does not accurately portray what really goes on in the Parliament of Canada, in committees or in constituencies, which is too bad because it puts a stain on each and every member and ultimately does not do anyone in this country a service.

However I, as the member for Calgary Southwest stated in her motion, have enough confidence, as do most members in this House, that what we are saying should not be analysed by a committee of the House. It should go to an independent body which should analyse salaries of MPs, their so-called benefits, and their pension plan. As the member for Glengarry—Prescott—Russell said earlier today, very few people realize that the existing pension plan is not something that is gifted to MPs but is something they pay into. They pay a very generous sum of money. If the independent analysts say it should be deferred until the age of 55 or 60 is reached so be it. If they want to do that type of analysis I am sure every member of Parliament would support whatever recommendations they have.

The point I want to make, besides acknowledging that independent analysis is necessary, is that the problem we have is timing. We are about to go to the people of Canada in an election.

• (1155)

I think this independent committee should be set up immediately. We should not have a report back in six or eighteen months. This is something that can be done in 90 days. There is no need for this study to take an extended period of time. It is something that should be put to rest before it becomes an election issue, not created by the NDP, the Liberals or the Conservatives, but created by a third party because we have not dealt properly in this House with third party advertising.

I ask the member to urge her colleagues to put this motion to the House and ask for the report back within 90 days so that all of us in this House can vote on it.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am extremely pleased to have the opportunity to speak on this particular motion this morning. Colleagues will perhaps recall that this is the third time I have had an opportunity to speak on the issue of MPs' pensions in the House of Commons during the last four years.

I do not want to suggest I have been the only one because I have been joined by colleagues such as the members for Winnipeg St. James, Edmonton Southeast, Winnipeg North and others.

The basic issue here is that irresponsible statements are being made about MPs' pensions. It is also linked to another basic principle, and that is the fact that we make those rules. In order to make sure that there is some fairness and objectivity brought into this highly sensitive issue at this particular point in time, it is particularly important to make sure it is an independent third party that makes those kinds of decisions.

After having reviewed I would suggest not only MPs' salaries, pensions and other benefits but those of members of the Senate, legislative assemblies, councils, the private sector and other organizations, we will see if there is a pattern.

Surely what we all want is an element of fairness. I believe even those who have been critical want us to be remunerated and benefit in a fair way. Until it is we who make the rules, until it is we who continue to decide what it is we are going to get, we are going to have this kind of difficulty. In fact we are open to attacks such as my colleague has just mentioned where people make unfair statements.

There are a number of MPs who because of their decision to run for Parliament—and it was their decision—will be getting less money from their pensions. There are numbers of individuals and I happen to be one of them. I am not at all being critical of that. It was I who decided to run but I am not the only one. It is rather interesting when you are attacked. It is always the examples of the extreme situation. I would very much like to have an independent third party commissioned to review this plan.

There are a number of anomalies and I will mention them very briefly. We cap at 75 per cent and the general public, normally 70 per cent of our salaries. People do not like that. If my memory serves me correctly we do not have to work nearly the same number of years to get the 50 per cent pension. That is held in high esteem by many people.

There is the issue of double dipping, getting a job once one has in fact resigned from elected office or has not been re-elected. That annoys a lot of people. There are provisions for early retirement that are enjoyed nowhere else.

I really believe that this independent commission could in fact look at each one of these issues, address them in the context of what is happening in terms of pensions in the private and public sectors and then render a verdict of which we would have to take cognizance.

[*Translation*]

I could say a lot about it. As I just said, this is the third time that I have had an opportunity to speak on it. What I want above all is some fairness. We are being attacked now—and I understand that there are some grounds for it—but some things are being exaggerated as well. This does not mean that some things should not be changed, because I think that some things here should be altered. However I would like to have a review carried out by an independent non-governmental organization.

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member, but the time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the item is dropped from the Order Paper.

GOVERNMENT ORDERS

• (1200)

[*English*]

TELECOMMUNICATIONS ACT

MEASURE TO ENACT

Hon. Perrin Beatty (Minister of Communications) moved that Bill C-62, an act respecting telecommunications, be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Mr. Speaker, almost 84 years ago the Right Hon. George Percy Graham, the Minister of Railways and Canals, rose in this House of Commons to introduce the Railway Act. It was a well crafted piece of legislation

and in it were many of the principles that guide Canadian transportation and communications policy to this day.

I recently leafed through some of the debates on the Railway Act and found it most compelling that the members were concerned about the very things that concern members in this House today.

In the early days of this century the railroad was vital as both a tool of communication and a major commercial venture. As a result, early legislators recommended that the government exercise some control over this key sector while encouraging competition wherever possible. They proposed establishing a federal body to regulate the railways, which is an ancestor of the CRTC which regulates communications today. They also raised concerns about how to manage new technology and regulate telephone rates, especially long distance charges.

Robert Borden, who did not yet carry the title right honourable, described his approach this way: "The government has adopted the system of private ownership with public control. Of that system it may be said that it is very much better than private ownership without public control". It was a good principle then and it is still sound now.

Times have changed and legislation designed for steam engines and Morse code is not well suited to a world of satellites and microchips. In 1908, space travel and modern telecommunications were confined to the literary world of Jules Verne. In 1992, Canadian astronauts Roberta Bondar and Steve MacLean circled the earth in a space shuttle well beyond the imaginings of those early science fiction writers.

Telecommunications has progressed from being an infant industry to one of the fastest growing sectors of our economy. Our recent history demonstrates just how impressive that growth has been. From 1988 to 1990 the Canadian economy grew by 4.6 per cent, 2.6 per cent and .3 per cent respectively. During those same years the growth rates of the telecommunications industry were 9.6 per cent, 14.2 per cent and 8.6 per cent, impressive numbers by any standard.

The telecommunications industry is almost wholly Canadian owned and 90 per cent privately held. It is an essential instrument of our economic development, not simply because it is a dynamic and growing industry but also because it acts as a catalyst to the competitiveness of many other industries. Without a telecommunications system that is on the front edge of modern technology, our banks, transport companies, retail industry, financial services and countless others would not be able to compete in international markets.

It is no longer possible to seek future solutions in past practices. This fact has not been lost on our trading competitors. The Japanese have targeted telecommunications as a prime interest and the Europeans have made it an essential part of their 1992 market unification. The Americans, our chief trading partners, have already completed a telecommunications reform which has given them a highly competitive system at both the domestic and international levels. We ignore these facts at our own peril.

Business, think-tanks and government studies alike have concluded that a modern legislative framework is crucial to Canada's ability to compete in telecommunications. Unfortunately, we do not have modern and efficient legislation. While Robert Borden and George Percy Graham are long since gone, our telecommunications industry is still governed by the Railway Act of 1908, which is so dated that it is not even used to regulate the railways any more.

[*Translation*]

The Railway Act was designed for a world of small, fragmented markets that adopted new technologies very gradually. That world has disappeared for good.

• (1205)

Anyone who doubts this should look at how the way new technologies are implemented has changed.

The first camera did not come on the market until 112 years after it was invented. It took 56 years for the first telephone, 35 years for radio, 15 years for radar and only 12 for television.

In the case of transistors, it took only three years, and only two for solar batteries. In microelectronics, the lag is now less than 18 months.

Because of this development, to be competitive today, a business must be able to determine, target and penetrate new markets faster than ever before.

The road to success is difficult and challenging, and the last thing our businesses need is to find their path strewn with regulatory barriers.

Nevertheless, reports, commissions and studies have told us repeatedly that Canadian businesses are faced with an overwhelming number of regulatory barriers. One of this government's main objectives has been to take down those barriers.

In his 1992 budget, my colleague, the Minister of Finance, announced a full review of government regulations in order to simplify procedures as much as possible.

The CRTC became part of this process last summer, when it completed the most thorough review in its history and announced its decision to allow competition on the long-distance market.

[*English*]

It must be clear to everyone here today that the Railway Act, which was designed to control monopoly activities, is not compatible with an ever changing competitive marketplace.

The telecommunications industry has been restructured to accommodate competition. We still have legislation in place which inhibits competition. For the restructuring to make sense we need new legislation. We simply cannot have one without the other.

Three years ago the Supreme Court of Canada ruled that members of Telecom Canada fell within federal jurisdiction. Since then we have successfully concluded agreements with six of the seven provinces affected. Now we need to build on those agreements. We must pull the current patchwork of legislation into one bill designed to encourage efficiency and excellence and help us compete in international markets.

Bill C-62 will do exactly that. It will eliminate the barriers which fragment our internal market, leaving us with one unified telecommunications market. It will establish a coherent policy for the entire country that will be co-ordinated by one regulatory agency, the CRTC.

Bill C-62 will give us a more regulatory framework, allowing the CRTC to forbear from regulating in those areas where the marketplace is already competitive. It will promote Canadian ownership and control of telecommunications carriers, thereby contributing to Canadian sovereignty. It will permit the government, which is responsible through Parliament to the Canadian public, to make broad public policy decisions by issuing directives to the CRTC when it is appropriate to do so.

This bill will guarantee sensitivity to regional needs, giving people who are far away from Ottawa an unprecedented degree of participation. Finally, it will give the CRTC new powers to protect consumers from invasions of privacy such as the transmission of unsolicited advertising by telephone or fax.

Most members are already aware that I am very concerned that as we embrace new technology for its benefits we must also be aware of its limitations. Cellular telephones, for example, give callers incredible range and mobility, yet offer little more protection than simply shouting across the street.

Automatic telephone dialing equipment can give business a competitive edge, but it can also lead to a proliferation of unsolicited and sometimes intrusive telemarketing calls. No one knows this better than our colleagues from the Toronto region where the problem is especially acute. They have scores of written complaints to prove it.

Fax machines have revolutionized the exchange of printed and graphic information, but they have also opened a new channel for junk mail. Unlike its posted equivalent, the junk fax has the added disadvantage of arriving at the expense of the recipients. It uses their paper and ties up their phone lines and machines when others may want to use them for legitimate purposes.

• (1210)

Because of such concerns, I have explicitly included privacy in the policy objectives of Bill C-62 as well as a section which deals specifically with unsolicited telecommunications.

These provisions will give the CRTC the regulatory authority required to ensure the greatest possible level of privacy protection for Canadian consumers. By addressing privacy concerns, the bill goes hand in hand with changes we are making to the Radiocommunications Act and the establishment of the private sector telecommunications privacy protection agency.

[*Translation*]

Both the industry and consumers will benefit when Bill C-62 is adopted. In fact, the bill has met with widespread support across the country, because it will improve market conditions for both users and suppliers.

However, we must not forget it is not easy to develop legislation to adjust to a rapidly evolving sector, and it should come as no surprise that a number of questions about the intent and scope of the bill have been raised.

Some people feel that Bill C-62 would give cabinet too many powers, questioning the need for issuing directives. The philosophy behind this power is based on the principle that decisions on basic government policy should be made by the government, not by the regulatory body.

The purpose of this particular section is not to involve the minister in specific matters of regulatory procedure. Such matters come under the jurisdiction of the CRTC. However, I believe that decisions on basic government policy should be made by elected representatives, not by appointed administrators.

There are people who believe the bill gives the government too much leeway, and there are as many who believe the opposite. Others doubt the market will function in a responsible manner.

Although in my opinion this is a balanced piece of legislation, I am open to suggestions for improvement. In fact, a number of interesting proposals have been made so far.

[*English*]

In particular, I am thinking of the pre-study of Bill C-62, which was conducted by the Senate Committee on Transport and Communications last spring. I was pleased that the committee approved the three main objectives of the bill: to increase the competitiveness of the telecommunications industry; to promote Canadian ownership and control; and to ensure that Canadians have access to reliable and affordable services.

I appreciate the thoughtful and non-partisan changes the senators suggested with the view to strengthening the bill's effectiveness. As I indicated to the Senate committee, the government is always open to improvements, provided the basic principles behind this legislation are not compromised.

I have carefully studied comments made with respect to the proposed licensing regime: regulatory forbearance; the terms of federal-provincial consultation; the bill's objectives section; ways to improve regulatory efficiency; and other key issues.

The government will be proposing a number of amendments to Bill C-62, which are strongly influenced by the Senate committee's recommendations. I will speak to these amendments early during the House committee's considerations.

There has already been much said and written about Bill C-62. Some groups have expressed specific concerns, but we have also heard almost universal support for the goal of updating a legislative framework which is over 80 years old. Bill C-62, which is the product of many years of consultation, is the best solution.

Industry will win by having one national market, national standards across the country and a simplified and more flexible regulatory system. Provinces will win by having more productive businesses and more input in setting policy than ever before in the history of our country. Canadians as a people will win because we will be able to build upon the strengths of our one great winner in the high-tech field. Canadians as individuals will benefit by having guaranteed base levels of service across the country no matter where they live.

• (1215)

For most Canadians telecommunications regulation is a fairly arcane business. At first glance it appears to be of great interest to only a few select people who are active in the industry. However this bill is not only important to telephone companies. It will mean benefits for banks, hospitals, airlines, the transport and retail industries, and a host of other businesses. Since we all use these services it means that every consumer in Canada will be affected in a positive way.

The bill means jobs because it will help Canada's premier high-tech industry to become more competitive than ever before. It means new and better services will come to market more quickly as we strip away excessive regulation and encourage research and development.

Finally, this bill means that each and every one of us can expect first-class affordable service in our homes or at our businesses.

Back in 1908 our predecessors in this House of Commons showed extraordinary vision in passing the Railway Act, a law that would remain in place for the better part of a century. Today a new century is on the horizon. Bill C-62 is a worthy successor to the Railway Act. In passing it we will do more than simply place an eminently useful law on the statute books. It will enable

Canadians to face the telecommunications challenges of the year 2000 with confidence.

I believe it is a challenge that is worthy of each and every one of us in this House of Commons. When we talk to Canadians today we find that they recognize that we benefit in Canada from the best telecommunications industry anywhere in the world. Industry says that we need to ensure that innovation can continue and that the conditions are in place to allow competition to improve services for consumers and to allow new goods and services to be brought onto the market as quickly as possible. That is the challenge that faces each and every one of us.

As I indicated earlier, the government has very closely listened to suggestions for improvements to the bill. Today I repeat to my colleagues on the opposition side of the House that we will continue to take an approach that is consultative and open. We welcome input from them and other Canadians with regard to improvements that can be made to the bill.

However we are also prepared to act. As I indicated earlier in my remarks today, when the bill goes to committee we will be prepared to place before the committee at an early date substantive amendments to make improvements to the bill as a result of the hearings that were held before the Senate committee.

What is required now is for this House of Commons to act quickly to permit this bill to go to committee, to allow the government to table those amendments before the committee, to allow improvements to be made to the legislation and to allow us to put this legislation in place for the benefit of every Canadian. This legislation is modern and will bring benefits to every single region of Canada, ensure that Canadian industry becomes more competitive, better protect the privacy of Canadians, and help to protect and enhance the productivity of our country and create a wealthier society in which Canadians can live in the future.

I call upon all members of this House to give their speedy, favourable consideration to this legislation. It deserves the support of every member of this House just as it deserves the support of every Canadian from one coast to another.

Mr. Speaker, there has been consultation among the parties in this House and I believe that you will find consent for the following motion. I move:

> That a subcommittee of the Standing Committee on Communications and Culture be authorized to consider Bill C–62, an act respecting telecommunications, and report thereon directly to the House.

The Acting Speaker (Mr. DeBlois): Hon. members have heard the terms of the motion. Is there unanimous consent to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, we certainly agree with the moving of this bill into a knowledgeable committee that will listen and understand its complexities and at the same time reach the goals so clearly enunciated in the speech that has just been delivered by the minister, in which he said we will have better jobs, new competitive services, and increased research and development, if and when substantive amendments are brought forward.

• (1220)

That is all very well and good and I am looking forward to that reality. To date that reality has only been a series of promises. As we all know, the devil is in the detail and the proof is in the pudding, so I wait with a great deal of interest to see what the minister intends to bring forth under this Bill C–62 with respect to the amendments he has so comfortably spoken about intending to present.

It is very true that as the member representing Mount Royal, in which there are some important telecommunications companies, I have had the privilege of looking out into society and recognizing that telecommunications is certainly the highway, the railroad of today and tomorrow and that changes absolutely must be made. Of this there is no doubt.

There is doubt in my mind about how this government is prepared to stand here today and call for the speedy convening of the standing committee to study this matter and the speedy forward movement of this bill given the fact that this bill has had an incredibly long history. It was drafted in 1987, and here we are now in 1993 looking at something in a field in which technology has changed so dramatically.

The minister even reminded this House about the spaceships that are circling the world. He did not mention, but I will, the Canadarm, which was made in the Montreal area, and Roberta Bondar, of whom all of us are very proud. We are very proud of those changes, but they have taken place within the last blink of an eyelash. It is more than time that this government, which made all kinds of promises in 1984, brought this bill forward.

I agree that we need to deal swiftly with this bill but I would suggest that we have some serious problems with this bill. Although the minister has said that he will speak to and bring in a series of substantive amendments I would like to bring to the attention of the public and the industry the concerns that were raised at the Senate hearings. The briefing book of what was said at those hearings is on my desk. I intend to quote from it and I hope that the minister, and I will take him seriously when I hear the amendments presented, has really and truly listened.

This whole procedure has not been as I envisaged the process. It has not been a constructive and open process. This is not the kind of process that even the candidates today are saying we need. We need a more open process. I doubt that it should be rushed through *per se*. It should be rushed through if and when it becomes an improved bill. From the indications of the minister, which I will take as given, those changes, if constructive, certainly will allow the quick process.

[*Translation*]

I want to bring to the attention of this House and of Canadians an excerpt from the brief of the Civil Liberties Union to the Senate, in which it said: "It is necessary to be able to discuss the evolution of telecommunications in open debate conducted by an independent specialized regulatory body. This is even more necessary because new developments will increasingly involve issues of rights and freedoms. Unfortunately, it seems that in the bill as now written, the privacy tree hides the forest of rights and freedoms in question and that practical measures for their consideration are lacking. Mechanisms for the social, legal and economic evaluation of major projects are an assurance of democratic control over the evolution of our telecommunications system."

• (1225)

[*English*]

I think that is an *avertissement* of importance.

The Liberal Party takes telecommunications issues just as seriously as it does the parliamentary process. We are not a rubber stamp to approve a flawed bill. It is not the opposition but the minister and his government who are responsible for coming in here at the eleventh hour with this bill saying:"Trust me on the amendments". My trust goes only so far to the concrete act. It becomes very difficult for anyone to support a bill going to committee about which the minister himself has raised questions and indicated change.

Having said that, we do put the interests of the Canadian telecommunications industry above that of the minister, the House leader and the government. The messy handling of this bill should not constrain the industry. We should move forward in the standing committee as quickly as possible and make the necessary amendments to clean up this bill.

Let me address for a moment the question of why this bill is so important. The landscape has truly changed. Telecommunications is now Canada's electronic railroad of the 1990s. It employs more than 100,000 Canadians and generates over $20 billion in revenues. I appreciate the minister's updating of certain financial factors and I will look at that with a great deal of interest.

It has emerged as an important and strategic industry for our entire economy and it can help us create the knowledge intensive, value added, high technology jobs of the future. It can help Canada locate these jobs where people are, often outside of traditional business centres and particularly in our regions. It can be an economic tool for growth and employment.

All of this cannot happen by itself. As an industry that remains highly regulated the telecommunications sector requires the appropriate government policy, legislative and regulatory environment in which to succeed. While there is private ownership the need for ongoing public control is apparent.

This is why Bill C–62, with proper amendments and improvements, is a fundamentally important bill. It is also why we are so disappointed that it took nine years for the government to produce this bill and almost another full year before it got around to second reading. These delays say a great deal about this Conservative government's commitment to telecommunications. The delays and inactions going back to 1984 were not only

poor public policy choices at the time but over time have contributed to a closed door, behind the scenes decision-making process which in the end led us to this flawed bill.

In addition to these flaws the government's failure to lead a national discussion on telecommunications policy means Canada has never developed a clear strategy in consensus with Canadians.

This government never sat down to look at the telecommunications industry, study how its various component parts work together, and come up with some very clear directions. It may well have done this behind the closed doors of the minister's office and around the table with the interested industry, but did it hear from the Canadian public? Not to the degree it should have. This is the approach that should have taken place. It is a view that would have been supported by large numbers of witnesses that came before the Senate pre-study hearings on this bill.

Once the strategy had been developed the government opposite could then have proceeded to the hearings, because at least it moved to have the pre-study hearings for which the minister deserves a thank you and some appreciation. Why did the minister not take the next step and move into a consultative mechanism when he noted that so many flaws were found in that bill by so many different sectors of the industry?

Unfortunately we are now stuck with the results: no national strategy and a flawed bill that needs a lot of work. There was never a white paper, a green paper, or any thorough public review of telecommunications issues. This government never asked the people of Canada what their goals were, what they wanted to see in their telephone system, what their privacy concerns were, or whether they were being met. Over the last nine years we never saw an open process that invited the business community to come on in and have its say and put its comments on record.

Let us go before the public before we draft the bill, not after. Once the bill was drafted, then amendments were needed, so let us see if the amendments suit. It would be a far easier mechanism and would certainly reflect what the public is saying which is that they would like to have a say in major areas of this nature.

• (1230)

As a matter of fact I believe the Minister of Communications had a very important study done on cable and telephone convergence and their networks. Even this study was done behind closed doors. There was never any public discussion about that convergence. Not one part of this bill reflects the thinking or the findings of that study. In fact cable is left almost outside the bill. I do not think it is the best way to move to a new vision about telecommunications which could be reflected both in the role that the private sector would have and in the public policy that would be brought forward.

Despite the glowing words from the Conservative ministers, the Minister for International Trade, the hon. member for Frontenac and Flora MacDonald, they have never produced a vision to match the rhetoric.

Let us briefly review these commitments. We can go as far back as a statement of the Minister for International Trade in 1984. In the economic statement he said: "There is a clear need for a national telecommunications policy to take advantage of the opportunities presented by rapidly advancing technology and the growing demand by Canadians for new telecommunication services". He then added: "Through the regulatory reform, the government can spur innovation and provide a major stimulus to the Canadian economy". Yet there was never a bold strategy leading to Bill C-62.

We can go to the speech of the member for Frontenac to the Canadian Bar Association on February 12, 1986 where he stated: "The fundamental revision of the policy and regulatory framework which allows the telecommunication industry to realize its potential has thus become a priority for me and for the government. I tackled reforms head on while establishing the basic principle that should inspire it". We never ever heard about those basic principles; no strategy paper, no green paper, no white paper, no paper of any colour. Here we are today with detailed legislation before the House.

Then there was Flora MacDonald's paper in 1987, "Communications for the 21st Century". She said: "In spite of our past achievements in communications, Canada has not reacted to the changes that are taking place in our own economy and the larger world in the same way as other advanced industrial nations. We have been content to rest on our laurels to cope with the challenges of the new environment. It is time to call this complacen-

cy into question". This was in 1987 and she drafted her type one and type two memo.

Now we have the present minister, who tabled this bill in February 1992, who four months later at the Senate pre-study said: "To delay its"—that is Bill C-62—"implementation would be to slow the growth of an industry which is vital to the Canadian economy". I could not agree more strongly with his comments.

Here we are over a year after introduction and after the Senate report and this bill is only now coming for second reading in the House of Commons.

Canadians can see that the government left this industry in a substantial policy vacuum while pillars of the sector were developing extremely rapidly. The government never kept up with the pace of changes, never addressed how the environment was progressing and therefore never demonstrated a clear understanding of what needed to be done. That is why we have this flawed bill which was deposited last February.

The Senate pre-study held promise and yet the minister has let it lie on the shelf for almost a year. Now he has alluded today that there will be changes. Other than the allusions, I sincerely await with almost bated breath to see if the changes will be brought forward.

In essence the government left Canada labouring under century old legislation and a long series of *ad hoc* decisions affecting the pillars of this industry. That is the onset of competition, the privatization of Telesat and Teleglobe, tremendous advances in technology and services, the problems around cellular telephones, all with no coherent or co-ordinated approach from government, something the Liberals called on this government to produce for years.

What do we have in Bill C-62 and what should be the goals? I would suggest that it must provide a fresh direction for the telecommunication sector so it can maximize the benefits to every Canadian of the world-wide information revolution in terms of learning, literacy, education, training and communicating. It must bring the marvels of this revolution from our biggest cities to our outermost communities.

The bill, which was introduced last February, is far from what the country needs. If the government truly wishes to enhance the efficiency and competitiveness at the national and international levels of Canadian telecommunications, the lack of clarity, the ambiguity in many sections of the bill will prove a hindrance in this pursuit and many companies will be spending a heck of a lot of time in the courts of this land in costly litigation trying to disentangle this very tangled web. This is counterproductive.

• (1235)

Let me turn to a number of issues in this bill which are very serious. First let me deal with how the bill addresses the question of acting on the Supreme Court ruling in the Alberta government telephone case.

Liberals supported the bill's attempt at unifying national jurisdiction over telecommunications. We supported the Supreme Court in August 1989 when it ruled on the AGT case which largely found in favour of federal jurisdiction over telecommunications. We believe Canada needs harmonized rules and regulations governing this sector if all Canadians are to have equal access to the benefits of the information revolution and that we do not have interruptions as a result of interprovincial wars and concerns.

How the transition rules will work and how regional sensitivities will be taken into account certainly need to be studied in committee where restructuring is needed. Through the CRTC we need to have real competition, not pretend competition.

With respect to definitions, I had mentioned that there was a serious list of concerns that perhaps were going to end us up in the courts with a lot of litigation. Right within the definition section alone there is concern from the Canadian Bar Association on the definition of rate. What is and how do you determine a rate? The suggestion made was that the word charge in the definition of rate be replaced. There was a series of concerns around how the word rate is used.

Under the telecommunications common carrier, we have concerns with respect to how this term is to be defined. I suggest the following observations made by Fonorola although there are many that are made in exactly the same language.

Fonorola would like to ensure that resellers are not covered by the definition contained in clause 2 under the heading telecommunications, common carrier, that is a person who owns or operates transmission facilities used to provide the telecommunications services to the public for compensation. Since there is more than one category of resellers, it would be important for Parliament to exclude specifically those businesses operating in the field.

Another point of view was the Canadian Satellite Users Association. It felt it was vital to its members that the minister's statement that resellers are not included in this bill be unambiguously reflected in the language of the legislation.

The Government of Saskatchewan had a series of concerns. "No one has any idea where the reseller business in Canada is ultimately headed" it said. However, regardless of this, the bill takes pains to ensure they are permanently excluded from any form of regulation, contrary to what the others have said.

Telesat says: "A telecommunications regulatory regime sufficient to ensure the CATV industry competes fairly with other common carriers has to be devised". That is only with respect to telecommunication carriers.

The radiocommunications industry says: "Our members are already regulated by the Department of Communications under the Radiocommunications Act". There is an obvious question of overlapping jurisdiction.

Just in the field of telecommunications common carrier there is concern. Under teletransmission facility in clause 2, the CRTC says that of particular concern to them is the ambiguity of the critical definition of transmission facility which is woven into the other definitions in question.

The commission recommends that the ambiguity in the definition be removed by clearly setting out what is meant to be included and excluded. Telesat says that the company finds the definitions of telecommunication facility and transmission facility cumbersome and confusing. The confusion must be corrected through redrafting.

The Communications and Electrical Workers of Canada say that a certain exclusion such as wiring and other matters will prevent the CRTC from exercising its full regulatory powers over telephone apparatus and indoor wiring. This would force telephone subscribers to buy and service their own indoor wiring. The exclusion could also affect the CRTC's rate determination process with respect to installation and service charges as well as telephone set rental rates.

• (1240)

I suggest there is a problem around transmission facilities that needs to be cleared up. The Canadian Bar Association has a problem with that definition. It says: "If resellers are not in fact captured by the legislation, entry into the resale market will be entirely free under Bill C–62 regardless of the citizenship or nationality of the reseller. Given the uncertainty as to the application of the bill to non–facilities based resellers, in our view it would be most useful if the government's intentions were clarified directly in the bill". We need this for greater clarity.

The Canadian Bar Association adds, and I bring this to the minister's attention in case he has not had the opportunity to read it: "This is not something we have discussed with the rest of the section but it seems that it would probably be more useful to focus on exactly what kind of activity it is the government wishes to trigger in the legislation rather than any particular technology, not least because the technology change is so fast in this business".

We can then look at the definition of a Canadian carrier. The Canadian Labour Congress brings to our attention it is very important that we may not be able to regulate someone outside of Canada. How does the minister intend to handle this particular issue?

The Government of Newfoundland says that generally the definitions of transmission facility, Canadian common carrier, common carrier facility service are confusing, that it is a jungle.

The CBTA in the discussion of exclusive federal jurisdiction and Communications Canada has said: "We want a clear statement from this government that federal jurisdiction over telecommunications is not on the table. Further that jurisdiction over the sector will be held inviolate from provincial encroachment in the future".

Fonorola has said:

[*Translation*]

"Fonorola would like to note that it is in favour of a single statute and a single regulatory agency in the field of telecommunications because this is a field where fragmentation plays against all Canadian and Quebecois businesses. The U.S. commission, the FCC, covers the 51 states, and the size of our country does not allow for scattered jurisdictions. This would be counterproductive and run against current international trends in the sector."

[*English*]

Rogers has said the lack of unified regulatory jurisdiction over Canada's major telephone companies have in Cantel's case resulted in significant provincial trade barriers and has inhibited the development of the national cellular service.

I would suggest that the lack of uniform regulatory jurisdiction, whether through negotiations with the provinces or through the CRTC being divided up in regional councils, needs to be looked at very carefully because we do not want to have *de facto* what cannot be done in any other way.

The government did establish the power of direction providing for broad policy directives to be issued by a Governor in Council as guidance to the CRTC in the broadcast act. Having that power in this bill for telecommunications matters is not a surprise but it raises a red flag of concern when the minister is establishing this new power of direction in telecommunications matters and maintaining the power to vary and rescind CRTC decisions at the same time.

In essence the minister and the cabinet will be able to intervene both at the front end and the back end of the process, effectively turning the CRTC into a rubber stamp. To paraphrase what the Royal Bank representatives had to say when they appeared before the Senate, the minister and the Governor in Council will have so much control over the process that it is of concern.

The Canadian Bar Association says there is too much potential for political interference. It points out: "To grant to the government both of these powers would signal a significant departure from the principle of the independence of specialized administrative tribunals".

• (1245)

Clause 9 goes into exemptions. The question of the Governor in Council giving itself the broad power of exemption must be examined very closely. I agree with the Senate report that the CRTC should deal with the exemptions when they come up.

The CRTC said: "We think that the exemption power as proposed in the legislation opens the door in that area too widely, that it could be proscribed to ensure that we achieve the objectives that the drafters of the legislation obviously had in mind without opening it up to enable all types of carriers to be exempt. It would simply be a matter of rewriting the legislation to narrow it to specific classes, categories or sizes of carriers so that the smaller carriers that the government would like to relieve of some of these regulatory requirements could be accommodated and the major carriers that move and shake this industry in this country would not be exempted. They would continue to have to comply with the regulatory regime". Therefore, the CRTC believes it is much broader in scope and it needs to be defined and constrained so as not to be used to totally exempt any carrier, including Bell Canada.

I agree with the Senate recommendation that the Governor in Council vary or rescind power should be substituted with the set aside and refer back power now in use in broadcasting and that a timetable be established for cabinet to deal with appeals. I also believe it is worth considering the Canadian Bar Association's suggestion that clause 13 be amended so that the cabinet in making its decisions must exercise this power in a manner consistent with the purpose and objectives of the bill.

With respect to provincial consultation, in this transition to uniform national regulation in telecommunications, because of the Supreme Court's 1989 AGT ruling it would be useful to have a mechanism for regional input. However, clause 14 dealing with provincial consultation must not create an open-ended, almost veto power with provincial consultation over federal decisions that would inhibit the working of an effective national telecommunications policy. Exactly what limits are appropriate under this clause must be carefully examined at committee.

I note with great interest the minister's new power to set technical standards in the bill. I suggest there are pros and cons to this matter. In the matter of setting national and international standards for interconnection, we would have to look at this clause because I gather that it is not so clear.

With respect to the minister's licensing carriers in clauses 17 to 23, the Liberal Party and I have already expressed great difficulty with the minister grabbing so many new powers in this bill, particularly in the area of licensing carriers. We have never been convinced of the benefits of licensing at the same time as there is the CRTC regulating telecommunication carriers. The question really is: Why would one want to politicize entry into this market? Why give the power to issue, renew and revoke licences, if the licence in the minister's opinion furthers the bill's telecommunications objectives for Canada, when the CRTC would still have to do the regulating anyway? It just seems strange and adds another layer of red tape which is not helpful. It places the minister, regardless of party, in the middle of a process that should be left up to the CRTC.

These straightforward arguments have been made clear to the government. Had it bothered to undertake an open public dialogue on these issues long before depositing the bill before us it would not have to be here with all these interventions. The minister should really have announced the removal of the licensing power which he gave himself right here in the House today.

On the Canadian ownership rules, if the minister is set to remove licensing from this bill then we will need to know how the criteria and objectives of the licensing regime will be met. Canadian ownership and control is one of the key areas. The minister stated so as he talked about increased competition and the need for local phone services.

We believe that we need to do everything we can to foster a strong, dynamic Canadian telecommunications system. We need to make sure that our own people, our own workers, our own researchers and scientists, our own manufacturers, our own software and hardware designers, all have a chance to prosper and remain on the leading edge of technology.

Let us make sure that there are sufficient safeguards in place so that Canadian interests are protected and when foreign companies come here net benefits to Canada are the top priority. Scrutiny will definitely be necessary as to how the 80 per cent domestic ownership requirements work, how the grandfathering will work, and how future ownership changes of any other company will fit these new rules.

• (1250)

It is who sits on that board and the percentage of their power that really makes the decisions. In short, we want to make sure what the intent of these domestic ownership provisions are and most important, that they work effectively in the national interest of Canada. We also want to see how this translates in terms of resellers and the so–called hybrid companies that need to be looked at.

There is merit in the Senate's suggestion on clause 29 which is that the minister is going to be permitted to define Canadian through regulations. The Senate found this provision to be unnecessary and I tend to agree with it on the face of it.

Forbearance is a major issue in this bill. In terms of the new forbearance power in those market segments where there is effective competition, where we are assured that it exists and continues to exist there is no problem. However, we must have the ability to come in and challenge if there is the least hint that the question of competition is being diminished or constrained. That is why we have to be very sure how we use it. It is not only its intent but the way it works in the public interest at all times.

I now understand that the CRTC agrees with it, but it must have the power to revisit and review. That is the responsibility of government where there is private ownership with public control. For Liberals, we know the concern out there is to avoid wholesale deregulation through an improperly worded forbearance clause. We want it confirmed that there are sufficient safeguards in place to protect consumers when this power is used and that situations can always be revisited.

On competition policy, let me echo something that the Senate alluded to and something I have been concerned about since the privatization of Telesat. That is the need for the competition bureau to have a more explicit role in the consultations with the CRTC and to give regular

advice when it is needed in the regulation of the telecommunications industry. Concentration of ownership is a concern in our telecommunications sector.

I therefore concur with the Senate suggestion that the role of competition policy be addressed either directly by the director of the competition bureau or indirectly through a consultative mechanism being put into place in this bill between the CRTC and the competition bureau. The Senate referred to this being a need before the exercise of exemption and forbearance powers at the CRTC. I would go one step further to allow the competition bureau to be brought in on a general matter where its advice, counsel and expertise in the exercise of any of its powers is needed.

I would like to address the matter of the unsolicited telephone communications and telecommunications the minister talked about. Those are the junk phone calls and faxes. We have all been concerned about these phone calls and faxes for some time. The problem has always been in figuring out how we legislate an end to practices. I know they are a nuisance to seniors, families and individuals. We want to make sure that this bill does something concrete about this problem.

So far there are concerns that clause 46 addressing privacy does not go far enough. On the other hand, the serious telemarketing groups also want to make sure their livelihood continues. I expect that the committee will have some very serious testimony on this issue.

While on the subject of privacy I must say that the minister's bill may not be doing all that needs to be done, but neither then are some of his other announcements. He announced the creation of a paper tiger, the telecommunications privacy protective agency, funded by the same industry that generates many of the consumers' complaints. That is like putting the fox in charge of the hen house. We have yet to see something concrete. I am looking forward to seeing what the minister has to offer in this regard.

Concerning the subject of this great big headline "Dial-a-racist phone system thriving in Canada", and the method in which the minister sees the ability of the CRTC to handle these newspapers, telephone lines and faxes spreading their daily message of intolerance, today, the 50th anniversary of the Warsaw ghetto uprising, is a good time to remember what intolerance can do. Bosnia-Hercegovina is another example of what happens when intolerance is allowed to be promoted through these telephone lines and faxes.

In conclusion, the Liberal Party will support this bill recognizing that amendments are needed. We are prepared to work to that end with the minister on the standing committee in the interests of Canada, regardless of the fact there has been a slow and messy approach to arriving at this particular moment. This is an historic moment and I am sure the minister deserves some credit. I just wish he had been a little quicker on his feet at the leadership level too.

• (1255)

Mr. Sid Parker (Kootenay East): Mr. Speaker, I am pleased to participate in debate on Bill C-62, an act respecting telecommunications.

Bill C-62 proposes sweeping changes to the framework surrounding the telecommunications industry. Those changes reflect the Conservative government's insistence to deregulate and privatize wherever conceivable. We saw these kinds of things taking place when the Liberals were in government and tried to deregulate the airlines. I can remember going to those committees with our member from Regina and telling the government, the Liberals at that time, that it was the wrong thing to do. However, they persisted and we now see what has happened to the airlines because of the deregulations that took place then.

There is no doubt in the New Democratic Party's mind that this is another deregulation step because of the free trade agreements made with the United States. It is the patent drug legislation all over again, making it accessible for others to compete in Canadian markets.

While my colleagues and I have called for an updated telecommunications act to drive Canada into the 21st century, this is not the right vehicle. Canada's telecommunications industry generated $21 billion in revenue last year. It employs 125,000 people.

I will argue that this bill should not be passed at second reading for four main reasons. I understand that again the Liberals are prepared to go along with the government.

The first reason is very simple. According to Beauchesne's *Parliamentary Rules and Forms*, second reading is the most important stage through which the bill is required to pass for its whole principle is then at issue and is affirmed or denied by a vote of the House. According to the Minister of Communications this bill will undergo substantial amendments during the committee stage.

At one time the Department of Communications was asked to redraft this bill to take into account the substantial amendments recommended by the Senate transport committee which engaged in a pre-study of this bill. The minister alluded to that during his speech.

It is clearly not correct for this House to pass a bill in principle which will be altered fundamentally at committee stage. Government members may argue that the principle of this bill remains unchanged, but this bill contains seven sweeping policy objectives. Changing any of these policy objectives would undeniably alter the principle of the bill.

The Senate committee recommended changes to those policy objectives. How can any member of this House pass a piece of legislation in principle when the true form of the legislation will not be clear until the amendments are made? Yet that is what the Liberals have said they are prepared to do. They will follow along with the government's proposals.

The second reason this bill should not be passed is clear to anyone who pays a phone bill. In June 1992 the CRTC decided to open up the long distance market. It accepted Unitel's application and assertion that long distance competition would not cost consumers more. If this deregulation experiment fails, the CRTC's hands will be tied. Under this legislation every decision the CRTC makes must diminish regulation and at every turn increase competition.

According to what this government says, the more deregulation we have, the more Canadian consumers will benefit. According to the CRTC local rates would not increase as a result of long distance competition. Yet less than a year ago, after the CRTC decision, telephone companies across this country applied to the CRTC for rate increases left, right and centre.

• (1300)

The telephone companies are asking for these increases for one simple reason. The name of that is cross-subsidization and it is what has put our Canadian telephone system leagues ahead of foreign competitors.

Before the CRTC's June decision every long distance telephone call made by a consumer, small business or multinational corporation cross-subsidized local rates. I hope if this bill does go to committee that the minister will ensure that some pensioners will be able to come to that committee and express their concerns of what could happen to their rates and to their very vital, important communication with other groups. Our long distance rates were higher than they had to be, but for a reason. That was to offset the cost associated with local telephone services.

Local telephone services in Ottawa, Vancouver or Calgary can cost the telephone companies up to 10 times less than providing service to remote locations such as in northern and rural areas. Yet people living in those areas are not paying 10 times more than people living in Toronto, Vancouver or Calgary. It is because of cross-subsidization, which is what has made 92 per cent of Canadians say that they are happy with the telephone service.

Cross-subsidization has given more Canadians phone than in almost any other country in the world. Ninety-eight per cent of Canadians have a telephone. That is a higher penetration rate than in the United States and most European countries.

Bell Canada recently applied to the CRTC for a rate increase. If its application is accepted, local rates will jump as much as 65 per cent.

BC Tel has also asked for a substantial rate increase as well. It wants not only the recent rate increase in its local rates, but also increases in directory assistance, charges and service calls.

Alberta Government Telephones has applied for a 30 per cent increase on its local rates. Ron Liepert from Alberta Government Telephones said in February of this year: "Long distance rates have decreased by 40 per cent". This action means that the proposed 30 per cent increase in local rates is the other side of it.

Both BC Tel and Bell want to charge more for service calls and for directory assistance. These proposed increases all fly in the face of the government's continuing insistence that deregulation and competition will bring rates down.

Two separate reports have indicated that charges for local calls have increased world-wide when governments have accepted to reduce long distance rates through competition.

According to the Brussels based European Consumers Organization the gap in the cost of service is widening between small and large users in most nations.

This report that was released in early 1992 said that Canada is one of the most successful models of competition. It is important to note that this report was completed before the CRTC announced its decision to deregulate the long distance market and before this bill was passed.

It is obvious that we used to do things right. According to this report, countries that introduced competition the earliest have the largest gap in cost between small and large users.

A conclusion must be drawn that competition does not help consumers or small businesses. According to the Organization of Economic Co-operation and Development, before long distance competition was introduced in Canada, our businesses paid less for their local calls than businesses in the U.S., France, Italy, Belgium, West Germany, Austria and Britain.

• (1305)

Again, before long distance competition was introduced, long distance rates for calls within Canada were 15 per cent below that of the OECD average. Prices for international business calls were 17 per cent lower than the OECD average.

The government's own briefing document which discussed the effects that long distance competition was likely to have states: "Competition will require gradual decreases in cross-subsidization and therefore increased rates. This will hit residential and small business users hardest while big business users will benefit". That is exactly the point we are trying to make. We do recognize that for many people in the outer areas the costs are greater and that the big users across the country should help subsidize those areas to ensure that they are available to them. However, the government seems to turn a blind eye to that.

This is according to the same government that keeps on spinning the same tired line that deregulation is going to save consumers money. We can rest assured that it is not going to save money for the average consumer in the small, remote areas.

In the same briefing document the Department of Communications quoted a Peat Marwick study that suggested that local rate increases over five years of between 13 per cent and 93 per cent would be required on a year-by-year basis. This represents 2 per cent to 12 per cent per annum. These increases correspond quite nicely with the increases requested by BC Tel and Bell.

Again, according to the government's document, the annual drop-off rate due to such changes could amount to 2,500 to 7,500 subscribers across Canada.

The chapter goes much further and limits the terms and conditions that Canada will be able to impose in the future. Specifically, legislators will be required to ensure that prices charged for telephone services are based on the economic costs directly related to providing such services.

Although NAFTA will allow cross-subsidization between our existing telephone companies to continue, we will not be able to require resellers to make the contribution payments that are necessary to support universal service. Again, this falls right in line with the government's free trade agreements.

This bill does nothing to prevent this erosion of cross-subsidization.. This bill actually encourages deregulation regardless of its effects on consumers and small businesses in Canada. There is no compassion for our seniors, many of whom cannot get out of their homes and the telephone is their vehicle by which they can communicate with their families. There is no compassion whatsoever.

Again I say to the minister that I hope seniors will be allowed to come to this committee to have their voices heard.

I have with me an advertisement from AT&T in *The Wall Street Journal* that says: "In 1993 this border will no longer be a barrier". The border they are talking about is the Canada-U.S. border.

This bill prevents foreign companies from owning more than 20 per cent of the telephone company. We think that this provision should have been put into legislation a long time ago.

The problem is that this provision is the only protection Canadian telephone companies are going to get with this legislation. The bill opens the door to resellers and AT&T could be considered a reseller under this legislation. AT&T has enough excess capacity to simply swallow all of Canada's telephone businesses within a hiccup.

In the United States, long distance service is subsidized by local rates. High local rates and local measured services are a fact of life for many Americans. That is why many Americans need telephone welfare or subsidized telephone service to be able to afford a telephone. That is the kind of service this legislation would bring us closer to.

• (1310)

Another reason that this bill should not be supported at second reading is that this bill as it stands now jeopardizes the arm's length relationship between the government and the CRTC. Not only does the legislation eliminate any semblance of independence between the CRTC and the government, this bill also makes a mockery of the process of public hearings.

This bill puts a collar around the neck of the CRTC and hands the leash to the government through regulations. Not only will the government have the power to review the CRTC's decisions but the Governor in Council will be able to direct the CRTC on broad policy measures. The Governor in Council will be able to exempt any class of carrier from the regulations contained in the act. We in this party are not prepared to give that kind of authority to government.

This bill will make the CRTC no more than an advisory body to the Governor in Council rather than an independent watch-dog of public interest. During the pre-study of this bill, the Senate committee noted that forbearance lies at the heart of Bill C-62. Indeed it does.

This government shamelessly promotes competition simply for competition's sake. This bill will ensure that the CRTC has no choice but to follow the government's lead. If this bill is passed, consumers will be at the whim of an industry trying to maximize its profits. The public will be put once again on the back burner.

Look at what is taking place right now regarding some of the things that have happened because of decisions that were made. On April 15 Alberta Government Telephones, AGT, announced over 1,000 job cuts. The president, Don Lowry, said that the job cuts to be phased in over nine months are largely in response to the bid by Unitel Communications to compete in the lucrative long distance market.

Look at the job cuts in BC Tel. Brian Canfield, president of BC Tel, announced on April 16 that his company was working to reduce staff size by 4 per cent this year through incentives. BC Tel has already seen 422 employees accept voluntary separation packages. BC Tel earned $205.7 million last year, which is up $2.3 million from the year before.

Mr. Canfield said: "The entry into the Canadian market of U.S. phone giant AT&T which bought 20 per cent of Unitel after the CRTC last year approved Unitel's entry into the long distance field added weight to BC Tel's argument that inflated long distance rates should not be used to subsidize artificially low rates".

There we have the kinds of things that are already taking place in the telecommunications industry. If we allow this government to proceed with this piece of legislation in its present form or with the procedures that it is trying to follow through deregulation and competition, then only the people of Canada will suffer.

This is especially so in the remote areas where people with their ordinary telephones are trying to communicate with each other. They will be the big losers. The big multinational corporations that this government seems to want to support to bring about these kinds of changes would get ahead.

Also, this would give the government the authority to override the one very historic area that it has had: the CRTC. The CRTC was an independent group. As much as we may have seen the weaknesses in it, it was a group that would hear submissions, make decisions and bring them forward.

We will not have that if this piece of legislation is passed. We are opposed to this legislation. We will do everything we can to ensure that proper and adequate witnesses are brought before the committee and their views are heard.

• (1315)

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I was not quite prepared to intervene at this point but I will certainly take this opportunity to say a few words regarding Bill C-62, a bill dealing with the telecommunications industry in the Canadian economy.

We are dealing today with an aspect of the Canadian economy that has been on the cutting edge of change and dynamic development for many years. We have been world leaders in a variety of areas of telecommunications. It has been a Canadian growth industry and continues to be a growth industry. It is a great employer. The telecommunications industry directly employs 125,000 people in our country and accounts for up to 8.6 per cent of our GDP after inflation.

Change in terms of its legislative mandate has been in the offing for many years and for many years we have called for a modern day approach to the development of telecommunications, recognizing that our telecommunications industry is currently governed by the antiquated Railway Act. We have called for the government to change this.

Over the years we have heard various ministers give their views on what the change ought to be. Today we are beginning a discussion on Bill C-62, which is this government's effort to fill the policy vacuum when it comes to the very dynamic field of telecommunications.

To say this is long overdue is not really selling the point very adequately because subsequent ministers have been promising this action. I want to at least acknowledge that the present minister of telecommunications has actually brought forward legislation. It was first introduced in the spring of 1992, many months ago. Now we are beginning the debate at second reading as this session of Parliament begins to essentially wind down in anticipation of the general election.

This legislation takes the telecommunications sector and places it on the sacred altar of privatization and deregulation. We have seen a number of other sectors placed on this altar for sacrifice such as the trucking business in Canada a few years ago. The feeling was that if we deregulated and privatized the trucking industry we would see a dynamic sector emerge. Jobs would be created and the Canadian trucking companies would prosper and benefit.

At that time a lot of us had contrary views. Many people in the trucking industry had contrary views and wondered how a deregulated environment that was being proposed, as well as the privatization that occurred in the transportation sector generally would be helpful. The result has been that literally hundreds of Canadian trucking companies have gone bankrupt over the last number of years and tens of thousands of drivers and others associated with the industry have lost their jobs. It has become a much less competitive industry.

The airline industry is one of the more recent sacrifices on the altar of privatization and deregulation. Once again it was proposed that a deregulated environment would result in increased competition, better service to the consumer and reduced fares and rates. The result is that an airline has just announced in the last few hours that it is going out of business because it is bankrupt. The two major carriers in Canada are in bankruptcy stages of one kind or another and unable to compete in this deregulated environment.

If I can use my own community of Kamloops as an example, two airlines are now competing head to head for service. This was welcome news because we thought it would result in a greater variety of services and an abundance of departure times to Vancouver. The result is that two aircraft fly into the Kamloops airport at the same time and leave for the same city at the same time.

• (1320)

There is head to head competition but no increased opportunities for travellers and we have seen the rates increase month after month. Any citizens who wish to fly from Kamloops to Vancouver or Calgary should forget about it unless they are independently wealthy or have some kind of business expense account. No one can afford the kinds of rates the airlines are now charging in this new competitive environment.

The Minister of Communications is saying the telecommunications sector is our new sacrifice to lay upon the altar. Who will benefit from this? Surely someone must benefit.

My colleague for Kootenay East has made an excellent presentation as to why he feels this initiative is inappropriate. On many occasions I have listened to my colleague for Okanagan—Shuswap explain to anyone who would listen why this initiative is not in the best interest of Canadians. One has to ask who will benefit from this.

I think it is fair to say that Canadians generally will not benefit but some large transnational telecommunications company will. AT&T will eventually be one of the main beneficiaries of this initiative. Those companies that are now prepared to come in and cream off a very lucrative long distance market will be the beneficiaries.

The average Canadian and the average small business operator in Canada will be the losers. I want to explain why that is the case but before doing that I would like to read a few figures into the record. We are not leaders in this matter of telephone and telecommunications deregulation. Other countries have done this before us and we need look no further than the United States.

Some of the leading political voices in the United States said a number of years ago it would benefit the average American if they deregulated the telephone industry, which they did, but the average consumer did not benefit from this initiative.

In the United States, residential telephone rates have doubled in some cases and tripled, quadrupled or increased five times in others. I will give an example as of today and use my own community because it will vary somewhat across the country.

In Kamloops, the basic residential rate for telephone use is $10.05 per month. Naturally, the cost of other services is added to that amount. In other communities it is less. I know in Thunder Bay where there is a private telephone company, the rates are less than $8 per month. We have enjoyed a regulated environment in Canada for many years and we are viewed world-wide as having one of the more sophisticated telephone systems found anywhere.

Recent surveys have found that 92 per cent of Canadians are very satisfied with their telephone service. This goes back to the old adage: If it ain't broke, don't fix it. If there is a 92 per cent satisfaction rate with just about anything in the country today, I think it would probably be a good indication to just keep our hands off and stay out of it. Obviously the regulated telecommunications telephone business in Canada has been working very well and 92 per cent is not bad.

Obviously the government has decided to work on behalf of somebody in our society to change this. Let us make some comparisons. The Kamloops basic rate per month is $10.05. Let me just randomly pick out a number of American centres. In Jacksonville, Alabama they pay $43.48 a month; in Phoenix, Arizona, they pay $24.36; in Little Rock, Arkansas they pay $32.01 and in Denver, Colorado they pay $32.39 a month. In Wilmington, Delaware, they pay $22.30 a month; Fort Lauderdale, Florida, $29.10 a month; Twin Falls, Idaho, $28.56 a month. Here is a good one, in Indianapolis, Indiana, they pay $47.40 a month; in Sioux City, Iowa, they pay $36.60 a month; in Louisville, Kentucky, they pay $47.76 a month.

• (1325)

I think you get the idea, Mr. Speaker. I have a list here of dozens and dozens of communities from a small survey that was done to get some idea of what has happened in American communities as a result of deregulation. I think it is fair to predict that a few years from now the people of Kamloops will not be paying a rate of $10.05 a month. They will be probably paying $34 a month as in Tulsa, Oklahoma, or $37 a month as in Eugene, Oregon. That is the reality.

Let us be clear what we are doing here. The government has opened the door to allow companies to ask for rate increases so the average consumer in this country, the average small business operator in Canada will see their rates double, triple or quadruple over the next number of years. That is the obvious direction we are taking.

In the *Wall Street Journal* a little while ago there was a full page ad by AT&T, the big multinational telecommunications company, which included a map. The ad said: "Here's a map of North America with a border presently between Canada and the United States". As soon as this legislation goes through we can take an eraser and erase this border because Canada and the United States are going to be simply one happy integrated area as far as AT&T is concerned. In other words this is another way of describing the free trade agreement.

Now the North American free trade agreement is accompanying this legislation, Bill C-62, through Parliament. They are going side by side in a parallel process through Parliament. We know that the NAFTA agreement includes Mexico.

Let me make another projection. Not too many months from now when we dial the operator to get information or dial the telephone company to check out the nature of our bill, the person responding will say something like *Buenos dias, senor*, because that operator will be operating out of northern Mexico. After all, if a telephone operator in Canada is paid $16 an hour and the same operator with the same skills is paid 60 cents an hour in the Maquiladora zone in Mexico, why on earth would an unregulated company not simply take advantage of the lowest labour costs possible?

AT&T is not an unintelligent company when it comes to making a profit. When it can pay a telephone operator or someone working in its operation in whatever capacity 60 cents an hour or less, I suspect there will be a tendency for it to do just that.

Rates for the average Canadian will increase and those people presently employed in the telecommunications sector of our economy here in Canada will lose their jobs in the future because they will not be able to compete with 67 cents an hour out of northern Mexico. Or let us be very generous and talk about an operator or employee of a telecommunications company in Canada competing with a person with the same skills making $6 an hour in Tennessee, Louisiana, Texas or New Mexico. It simply cannot be done. Not only will fare increases escalate, but job losses will also escalate as a result of this initiative.

We oppose this legislation to say the least. We, as New Democrats, have long felt, as many ministers over the years have suggested, that the way to develop our telecommunications industry, create world technological leadership in this sector and be on the leading edge of change, growth and dynamic development is through a regulated sector of telecommunications. In other words, there must be sophisticated, progressive, updated regulation of this very critical sector. That is the way to proceed and not what we see in Bill C-62.

• (1330)

There are many reasons why we do not want to proceed at this point with Bill C-62 at this second reading stage. Second reading stage is when we talk about and debate the principle of the bill and whether or not we want to proceed even with the principle that is being discussed and introduced here in the House of Commons. The Minister of Communications and his staff have been very generous in being straightforward with the people of Canada because they have indicated that this bill will undergo substantial amendments during the committee stage. The work of the other place points out a whole number of shortfalls so the minister has been very generous in his comments and said that, yes, major changes must occur.

Will these major changes result in changes to the principle that we are debating here today? What are these major changes? What is this wide array of amendments that the minister wants to present and propose?

Not knowing what they are, one can only assume that perhaps what we are discussing here is not going to be what is in the final bill or what the government plans to proceed with. Therefore the process is open to some question. We believe that the minister should be a bit more forthright in explaining just what it is the government plans to change and to what extent it plans to alter the provisions of this legislation.

The other reason that we oppose this—I rather tangentially referred to it earlier—is the fact that this will result in significant rate increases for Canadians.

I wonder if this is the time when the Government of Canada should be passing legislation that it knows will result in additional costs to Canadian consumers and Canadian citizens generally at a time of a call for restraint, when governments are calling for cutbacks in budgets and when governments are calling for all Canadians to tighten their belts. A lot of Canadians do not even have a belt left any more. They have tightened them so many times there are no notches left.

The government comes along and says: "At a time when we are calling for cuts, restraint and thought in terms of the small business person, we are introducing legislation that is going to definitely result in cost increases". It seems that the minister has not been privy to discussions concerning what one hand is doing or saying obviously because here with this initiative we will see additional costs for the consumer.

There are other reasons why we oppose this legislation. My colleague from Kootenay East explained in some detail the value of cross-subsidization. The charges for the users in those areas of Canada where the intensity of telephone use is very high help offset the cost to the more rural or small town user. In other words, in order for people to have relatively similar access to

telephones, there is cross-subsidization so that the heavy users subsidize those where the costs are increased.

This has served Canada well. We are the second largest country in the world geographically. We are spread out between three major coasts. We have one of the highest rates of telephone usage in the world. One of the reasons is that people living in the small towns and rural areas of Canada were subsidized by those living in the urban areas or the more urban corridors of communication within our regulated environment for so many years. This has served our country well. However, this will no longer be the case as a result of this legislation. That principle is being eroded here and that is another reason why we oppose it.

You have given me a signal, Mr. Speaker, indicating that my time is now limited. I simply want to conclude by saying that traditionally we have had in Canada an excellent telephone system. We have an excellent history in terms of the development of telecommunications. It has served us well. Ninety-two per cent of Canadians like the present system. I think many of us have had many reasons to be proud of the developments within our telecommunications sector for many years. We have hard-working men and women in this sector. There are tens of thousands of them who would like to keep their jobs and continue serving Canadians in this particular profession and line of work.

For that reason we will oppose this legislation when it comes to a vote and encourage the Minister of Communications, the minister responsible for this particular legislation, to take this back to his caucus and cabinet colleagues. He should say that this is not the time to increase rates across the country or to introduce legislation that would result in job losses to so many more Canadians, but that this is to be set on the back burner permanently.

• (1335)

Ms. Mary Clancy (Halifax): Mr. Speaker, this certainly is a bill whose time has come. Unfortunately it is also a bill that is quite seriously flawed.

The previous speaker for the New Democrats stated unequivocally that they will be voting against the bill. While I understand that, I say that from our point of view we believe the bill must go to committee where it can be reviewed and substantially amended to reflect the needs both of industry and of the people of Canada.

This bill has taken rather a long time from its own introduction well over a year ago by the hon. minister or from the first statement from this government in 1984 when the then Minister of Finance, in an economic statement, said there was a clear need for national telecommunications to take advantage of opportunities presented by a rapidly changing technology and a demand for Canadians for new telecommunication services. As I said, it has been nine years since that statement. The phrase labouring and bringing forth a mouse comes to mind because in nine years this bill is the best the government has been able to come up with. This bill, as already stated by my colleague from Mount Royal, is seriously flawed. Consequently, in our party we are prepared to allow the bill to go to committee at this stage. However, I say in the wake of the member for Mount Royal that we serve notice that we expect to see major amendments in committee.

Bill C-62 would establish in law a Canadian telecommunications policy, extend the regulatory authority of the CRTC to provincial Crown corporations and provide new powers with respect to the regulation of telecommunications. It is designed to give the force of law to a Canadian telecommunication policy, consolidate and modernize existing statutes and respond to the Supreme Court of Canada's decision in the Alberta Government Telephones Act with regard to the AGT clause.

It is necessary, of course, to put forward some regulation in today's ever changing telecommunications industry. Telecommunication industries employ over 100,000 Canadians and generate over $20 billion in revenue. In essence, this industry is one of Canada's key links to the globalization of markets and the world of high technology. It is, of course, also an area in which Canadians can be justly proud of the developments that are home-grown in Canada.

I am reminded of a visit last year that the Subcommittee on the Status of Women made to the United States when we were doing our study on breast cancer. We were visiting the Office of Women's Health in Washington and a conference was set up with the Centre For Disease Control in Atlanta. It was a teleconference. There was a

large television set at one end of a boardroom table where we could see the people from Atlanta and there was a similar set-up in Atlanta. After the meeting was over, one of the Americans said to me: "How do you like our technology?" I noted the Northern Telecom logo on the television set and I said: "You will have to excuse me, but in actual fact that is our technology". I think it was something that all of us there felt very happy about.

However, it is not enough to rest on our laurels in the area of telecommunications. The industry and Canadians deserve the best bill available. They deserve the best law that reflects what the industry needs and what the population needs. This is not happening.

• (1340)

We support the bill's attempt at unifying a national jurisdiction over telecommunications. A new and stronger piece of legislation would affirm the essential role that telecommunications must have in the maintenance of Canada's identity and sovereignty. These things are only sensible. They are so self-evident that they almost go without saying. However, I have learned in over four years in this place that very little tends to go without saying. It affirms Canada's commitment to the industry as well as the industry's role to provide a world class product and service to Canadians.

I will get into the specifics of this bill. Clause 2 attempts to define the various players or carriers and transmission facilities in the telecommunications industry. My party and the Senate pre-study report, which was presented in June 1992, believe that more consideration should be given to these definitions to clear up any ambiguities. One such example is how a common carrier, or one that relies on a Canadian carrier, should be dealt with.

The CRTC submitted this during the Senate hearings: "The ambiguity in the definition must be removed by clearly setting out what is meant to be included and excluded".

Clause 14 of the bill makes it necessary for the federal government to consult with the provincial government when a decision "would have a substantial impact on a Canadian carrier that was the principal telecommunications carrier in that province". This clause of the bill must not allow either level of government sufficient power to paralyse an effective telecommunications policy.

Part II of the bill makes provisions to establish the criteria a Canadian carrier must meet in order to be eligible to hold a licence to operate. Any policy direction taken by the federal government with respect to this must again ensure that it contains a strong commitment to the telecommunications industry's future. In its commitment to the telecommunications industry's future, it must ensure that it is a Canadian future.

Under this proposal the communications minister would have the power to decide who will be licensed. My party does not agree that the minister should create for himself as many new powers as he does in this clause. This move essentially adds further steps to the regulatory process and would in effect slow the process down. There is also no requirement for the minister to give reasons for licensing decisions. Far be it from me to suggest that the current minister would ever make such a decision without giving the best, clearest and most well-explained reasons at any given time. Here I am complimenting him all over the place and he is not even listening. However, I think that the requirement for reasons in licensing decisions is absolutely essential.

Part III of Bill C-62 would establish the framework with which the CRTC would be authorized to regulate the telecommunications services offered by a Canadian carrier. One of the main powers assigned to the CRTC by the bill is that of forbearance. The CRTC would be able to exercise forbearance only after it had determined that a sufficient degree of competition existed to protect the user's interests.

Again, in my party we want to make sure that this new power does not result in the deregulation of our telecommunications industry. Now that competition among carriers is on the increase it must be recognized that the consumer must not end up the loser or bear unnecessary inflated charges.

Clause 46 of Bill C-62 allows the CRTC to prohibit or regulate any type of unsolicited telecommunications, unsolicited telephone calls and faxes. The key object of this clause must be to recognize that telemarketing companies have a right to do business while at the same time protecting Canadians from unwanted phone calls.

Clause 46 does not go far enough to reconcile these two conflicting points. The key objective of any comprehensive telecommunications policy should be reliability, affordability, quality and accessibility for all regions of this country.

• (1345)

I put emphasis on the question of accessibility because accessibility and level of service in the telecommunications industry is something of which Canadians can be justly proud. It is also something upon which Canadians depend and depend upon very strongly.

Every one of us in this Chamber knows that we are unlike almost any other country in the world because of our huge geography and small population. The telecommunications industry probably more so than almost anywhere else on earth is a true lifeline for literally hundreds of thousands of Canadians.

It is essential and will remain essential to the country's development, yet it has taken the government over nine years to finally act. The nine years of labouring has not brought forth the kind of a bill that makes anyone in this House want to stand up and cheer. I suppose a few of the people on the other side want to stand up and cheer but I have not seen them do it.

We in the Liberal Party want to make sure there are no more delays in the establishment of a national telecommunications policy and in the legislation to build it up, but it must be the right legislation.

This bill needs revision and further clarification. It is too open ended and too ambiguous in many of its sections. It needs fundamental revision. For example, clause 14 makes it necessary for the federal government to consult with the provincial government when a decision would have a substantial impact on a Canadian carrier that was the principal telecommunications carrier in that province. The difficulty is that the bill is not strong enough to prevent one level of government possibly paralysing an effective policy.

The difficulty is that in the history of federal and provincial relations, the possibility of this taking place is not particularly far-fetched.

In establishing a policy of telecommunications, we are all aware that certain expectations have been set and that there are certain areas in which Canadians have such a vested interest that to leave them with a bill that is too broad and too ambiguous does the kind of disservice that we just do not need to put up with.

As I said before, we support this bill going to committee but at the same time we want assurances that changes are planned. Virtually every person in the telecommunications industry that has made a comment has said these changes are necessary. Since the bill was introduced, these changes have not been forthcoming.

We have had problems with the fact that the minister and the government delayed the bill for well over a year. It was the government that delayed the bill, not the opposition. The minister has had the opportunity to build agreement on a national level and he has not done so. Various and sundry other projects and reports have been done and been available but no action has been taken on them.

Consequently in the time since this bill was first introduced in February 1992, we feel that a lot of time has been wasted and a lot of water has gone over the dam which could have been used in making it a better mix and a better reflection of what both the industry and the people of Canada would like to see in a national telecommunications policy. A bill which could do that would have been good for the industry, good for business and good for Canadians as a whole.

• (1350)

We are not talking about delay. Indeed the opposition has not in any way attempted to delay the bill. If anything, we have been urging from the sidelines faster and better policy development in this area. Had we wanted to delay it, given this government's fondness for the use of closure, the best we would have been able to do would be to pipe dream a delay. That is not the response here.

The telecommunications industry is a serious and important industry to the make-up of this country. We are not going to sit here as Her Majesty's Loyal Opposition and give approval to something which we think is inferior.

We believe that the parliamentary process can create something better. We on this side of the House, led by the hon. member for Mount Royal as our senior critic, are prepared to do everything we can to ensure this bill is the best it can be. We would like to hear from the government and most particularly from the minister that it is the intention of the government to clear up some of these problems. In the 14 months since the bill was first introduced, we have waited in vain for some small indication that this was going to be the response of the government. It has not happened.

Again I say we are serving notice that in committee we will be seeking these amendments. I cannot say or else because unfortunately the system is such that we do not have an or else. I think in the interests of the country and in the interests of the telecommunications industry it is the very least we can expect from the government.

The telecommunication industry is vital to the way this country works. It is vital in the employment of tens of thousands of Canadians. It is vital in the revenues in the billions that it generates. It is clearly a strategic industry for the Canadian economy. It is clearly part and parcel of the new Canadian identity as we face a globalized economy and as we face competition in international markets.

We are entering the age of communication as we are told by experts in all fields on any given day at any given time. Therefore, it is even more essential we not walk into this new age of telecommunications covered with the shreds of inferior legislation. What we need is the best legislation that the Government of Canada can produce for the industry and for the people.

I will close by saying this. The telecommunications industry is so much a part of what makes Canada the country it is and what will make Canada the country it can be that we on this side of the House serve notice to the minister and the government that we will be coming to committee prepared to battle down to the wire for every one of the amendments we believe to be utterly crucial.

I expect to be there holding the coat of the member for Mount Royal who is a formidable opponent in these matters. She will be our major spokesperson. I can only say that if these amendments do not pass, if these amendments are not brought into law, if the government does not see that its bill is flawed and makes it better legislation for Canadians, then the sorrow will be not just to the industry and the people of Canada, it will be very much to the sorrow of the members of this House.

• (1355)

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have an opportunity to speak on Bill C–62. I must begin by complimenting the Minister of Communications for this bill. In fact as I was reading the over–all objectives of the bill, I said to myself that I wished over the last few years the stated objectives of this bill had been used as the guiding principle for some of the other policies coming from the government. It is quite out of character with other legislation that has been put forward by this Conservative government.

I believe it is important for Canadians to understand the over–all objectives. I want to read directly from clause 7 of the bill which states:

> It is hereby affirmed that telecommunications performs an essential role in the maintenance of Canada's identity and sovereignty and that the Canadian telecommunications policy has as its objectives
>
> (a) to facilitate the orderly development in Canada of a telecommunications system that serves to safeguard, enrich and strengthen the cultural, social, political and economic fabric of Canada;

We have had many other bills brought before the House in the last while which talk about national standards and national objectives. I think of the specific bill referring to our CBC and the national emphasis was actually removed.

The other objectives:

> (b) to render reliable and affordable telecommunications services of high quality accessible in both urban and rural areas in all regions of Canada;
>
> (c) to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications;
>
> (d) to promote the ownership and control of Canadian carriers by Canadians;
>
> (e) to promote the use of Canadian transmission facilities for telecommunications within Canada and between Canada and points outside Canada;
>
> (f) to foster increased reliance on market forces for the provision of telecommunications services;
>
> (g) to stimulate research and development—

(h) to respond to the economic and social requirements of users of telecommunications services, including the protection of the privacy of individuals.

I do not think anyone in this country would argue with any one of those stated objectives. My concern is that the actual stated objectives will be carried through in every aspect of the bill. I noted that my colleague from Mount Royal has said that in committee we are going to be going over every aspect of the bill to make sure that the various sections meet those objectives.

So often in the past few years this government has dismantled national institutions, dismantled the federal presence in favour of the regional force being a much stronger force. In the exercise of doing that we have decentralized the national government to a point where the regional forces are now causing it to be very difficult to govern this country.

Our telecommunications system, our technology, has been the envy of the world for many years. I think of the Middle East and what the Bell telephone exercise has been in Saudi Arabia and other places there. We have always been on the leading edge. One of the reasons why we have been on the leading edge is that we have had strong centralized, organized control of this sector of our economy. There is great hope for new job creation in this sector, but if the minister does not follow through in every aspect of this bill with the over-all stated objectives, then he will know that Her Majesty's Loyal Opposition—

• (1400)

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. It being two o'clock, pursuant to Standing Order 30, the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE BUDGET

Mr. Doug Fee (Red Deer): Mr. Speaker, the Minister of Finance has an onerous task ahead of him as he completes his budget. He is to be commended for the extensive pre-budget consultation that he has held across Canada.

It is a major challenge to reduce and eliminate our deficit. The problem is not just ours within this Chamber, all Canadians must share the challenge of balancing our wants with our needs and both of those with our ability to pay. If we learned nothing else from last year's referendum we should have learned that Canadians think for themselves and want to be involved in decisions that affect them.

With this in mind I invited the people in my constituency to offer suggestions on the budget and they responded. In a random but extensive survey they told me that they want restraint and no tax increase. I was told that transfers for health care, education and seniors' pensions are too important to be reduced, while regional development, special interest groups, unemployment insurance, Crown corporations and even farm aid need to be re-evaluated.

I have a strong message from Red Deer, one that tells me Canadians are ready to accept the tough decisions that must be made.

* * *

[*Translation*]

MONTREAL ECONOMY

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, last week, three separate reports showed how severely the Montreal region has been affected by the recession.

First, according to Statistics Canada, Montreal has now set a new record, with more than 22 per cent of its citizens living below the poverty line. Second, a report by the World Health Organization states that the living conditions of street children in Montreal are similar to those in the Third World. As if that were not enough, a study by a committee that included experts from the city of Montreal indicates that 40 per cent of the city's thousands of homeless people are under 18.

In a statement about the intolerable situation in this country today, the Canadian Conference of Catholic Bishops said that society's moral fibre was undermined as a result of the Conservative economic policies of the past 10 years.

No matter who wins at the leadership convention, Canadians will massively reject the Conservatives who are responsible for all this suffering.

S. O. 31

[*English*]

LEADER OF THE OPPOSITION

Mr. Peter L. McCreath (South Shore): Mr. Speaker, 30 years ago this spring John F. Kennedy was President of the United States, Harold Macmillan was Prime Minister of Great Britain, John Diefenbaker was Prime Minister of Canada and the Toronto Maple Leafs won the Stanley Cup.

I would like to bring to the attention of this House that yesterday marked the 30th anniversary of the first election of the Leader of the Opposition to this House. I am sure all members will join me in congratulating him on his many years of service to his party and to our country.

During those years this hon. gentleman has held many high offices, none higher than the one he holds today. There is one higher that has eluded him. Alas, my sense of history tells me it will continue to elude him. I must tell you, Mr. Speaker, I am a great prognosticator so you should listen to that point.

Nevertheless, as we approach the election that will, I suspect, mark the twilight of his career I invite all hon. members to join me in paying tribute to the leader of the Liberal Party on this auspicious anniversary.

* * *

CANADIAN WHEAT BOARD

Mr. Vic Althouse (Mackenzie): Mr. Speaker, taking barley sales to the United States out of Wheat Board jurisdiction is a return to the bad old days of grain marketing. A Conservative–Liberal union government created the first single–desk Wheat Board during World War I largely to save grain traders who had sold more paper than there was wheat. Farmers quickly learned the benefits of single–desk selling but the government took that privilege away for another 15 years until a dying Conservative government introduced a voluntary board in 1935.

The voluntary board clearly did not work and was made compulsory in the early 1940s for wheat, oats and barley. I know the Minister of Agriculture and the Conservative Party have never liked single–desk selling. To even consider taking barley sales to the U.S. away from the board demonstrates that. When I see the government deliberately undermining Wheat Board marketing power, which means lower barley prices to farmers, I can no longer believe the government's protestations of support for the Wheat Board, supply management or farmers. Its actions speak louder than its words.

* * *

[*Translation*]

BARRIERE LAKE ALGONQUINS

Mr. Guy Saint–Julien (Abitibi): Mr. Speaker, in 1991, a trilateral agreement was reached on an integrated management plan for renewable resources, covering forestry and wildlife in an area of about 10,000 square kilometres, partly located in the La Vérendrye wildlife reserve and surrounding area in Quebec.

• (1405)

The Barrire Lake Algonquins were proud of the work done by all parties to this agreement and, personally, I see it as a good example of how they and both levels of government were able to co–operate to ensure that aboriginal people can look forward to a better future and do so within the context of a new relationship.

Today, the Algonquins have former Liberal Environment Minister Clifford Lincoln as their negotiator. On April 16 Mr. Lincoln said this went beyond the question of logging operations in La Vérendrye Park. Now the First Nations are involved.

What a fuss about a 20 or 60 metre strip of forest.

* * *

[*English*]

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, where is the minister of fisheries hiding? For months he has been promising that by April there would be a federal compensation package to support communities in eastern Nova Scotia devastated by last December's quota cuts. April is more than half over and there has still been no announcement.

A task force from the Nova Scotia government proposed a plan to him a month ago. Now not even his Nova Scotia counterpart, Mr. Legere, can get him on the line.

Yesterday more than 200 fishermen and plant workers gathered once again at a public meeting in Canso to call for an end to this uncertainty. Their patience is wearing thin. Fishermen need to know whether there is any point in putting their boats in the water. Plant workers need to know what the future holds for them. They want the Minister of Fisheries and Oceans to come to Canso and explain what his government has in store for them.

The minister knows what needs to go into this plan. Will he end the uncertainty gnawing away at this community and at so many other communities in Atlantic Canada so they can get on with their lives?

* * *

NIAGARA GREENHOUSES

Mr. Girve Fretz (Erie): Mr. Speaker, the beauty and fragrance of fresh flowers have returned to Niagara regional council chambers. More than 200 plants and cut flowers filled the chambers for the introduction of the Greater Niagara Greenhouse Growers' Directory and Buyer's Guide, a Niagara Region Development Corporation project.

The industry employs almost 2,200 people working under more than 11 million square feet of glass and generates multimillion dollar amounts of revenue. Niagara greenhouses grow 17 species of cut flowers. In addition, growers are recognized for their excellence in producing millions of poinsettias, vegetables, nursery stock and landscaping plants. Major markets include the Niagara region, southern Ontario, Quebec and the northeastern United States. Annual sales are $160 million.

Seven Niagara greenhouse growers have been in business for more than 50 years and two-thirds have been growing in Niagara for more than 20 years. Congratulations to the growers in Niagara.

* * *

WARSAW GHETTO UPRISING

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, April 19 serves as a testimony to bravery in the face of barbarism and the triumph of the human spirit over mass oppression, starvation, disease and the evil perpetrated by the Nazi movement.

The Warsaw ghetto uprising took place 50 years ago and today we recognize the heroic members of the Jewish resistance who rose up in defiance of cruel tyranny. Jewish resistance fighters, with support from the Polish underground, fought a desperate battle with no hope of winning. This tragic revolt is a reminder that we must never again tolerate regimes based on racism or ethnic cleansing.

In honour of those who died in the Warsaw ghetto I call upon the international community to oppose institutionalized oppression in all its forms, regardless of race, religion or ethnocultural background.

* * *

NATIONAL VOLUNTEER WEEK

Hon. David MacDonald (Rosedale): Mr. Speaker, I would like to draw the attention of the House to this week, April 18 to 24, as it is National Volunteer Week.

This is an opportunity for all of us to express thanks and to join communities across Canada in giving recognition to the more than 13 million Canadians who volunteer their time, skills and energies. Volunteers have become an essential and vital part of Canadian society and a major economic resource.

Volunteers often fill gaps by performing indispensable tasks that would not otherwise be done. Organizations, such as hospitals, libraries, schools, food banks, community associations, and a whole variety of both domestic and internationally concerned organizations, would all suffer greatly without this volunteer support. The average volunteer devotes 191 hours a year to volunteer work. Altogether Canadians give more than one billion hours of their time to voluntary organizations. The collective value of volunteer time is more than $13 billion a year.

• (1410)

It is appropriate for us to say thank you to everyone who works for or supports a volunteer organization. Through their work volunteers build a more caring and compassionate Canada. Their generosity assures that many organizations, programs and activities continue because without volunteers' commitment they would falter or cease to exist.

S. O. 31

THE PRIME MINISTER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, there is a new tour that is going to occur shortly. It is called the "Hire Me, Here is My C.V. Tour" of the Prime Minister. Guess who will foot the bill for this tour? You are right, Mr. Speaker, it will be Canadian taxpayers again.

In 1991 the Canadian taxpayer sponsored the Asian tour at a cost of $1 million, or $80,000 a day. This new tour is going to be at bargain basement prices. It will cost only $50,000 a day.

Tour organizers are said to be working hard to improve the show of the advance performance in Florida last week because the Prime Minister did not meet expectations when he met Mickey Mouse.

Canadians are sure glad to know our present Prime Minister is finally on the way out and they will not have to sponsor tours again because rumour has it that the next tour would have been named the "Fly Me To the Moon Tour", in honour of the spaced out colleagues in his caucus who are seeking the Tory leadership.

* * *

NATIONAL DEFICIT

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, my constituents have made it clear that they see government deficits as the major issue for all levels of government to address.

Recently, several provincial governments have announced measures to reduce expenditures. These steps are similar to those taken by the federal government over the past number of years.

Based on comments I have received throughout Wild Rose, the federal government must continue on a path of fiscal responsibility to become even leaner and more efficient.

* * *

WATER QUALITY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, more than a tonne and a half of persistent toxic chemicals daily enter Lake Ontario including more than a tonne of lead, 400 kilograms of arsenic and more than a kilogram of PCBs.

For the Niagara River it is no longer adequate just to study how to cut toxic contaminants in half by 1996. Action is needed. The U.S. Environmental Protection Agency has introduced tough regulations aimed at protecting human health and the ecosystem. Unfortunately there is little progress on Canada's side.

Two years ago the agreement between Ottawa and Ontario to implement the water quality agreement expired. The government has not renegotiated this agreement. We urge this government to conclude negotiations on a new federal–provincial agreement respecting Great Lakes water quality. This is the minimum required to match action with rhetoric.

* * *

[*Translation*]

DENTAL HEALTH MONTH

Ms. Nicole Roy–Arcelin (Ahuntsic): Mr. Speaker, I am pleased to remind the House that April is dental health month.

Good dental health is important for our well–being and our looks. Bad teeth and gums affect our ability to eat properly and lower our self–esteem. We know that we must see a dentist every six months, but do we really know everything that must be done to keep our teeth in good health?

During dental health month, the Canadian Dental Association and its provincial chapters will help us increase our knowledge of dental health with exhibits in shopping centres and other health promotion activities.

So please join me in wishing the Canadian Dental Association and the provincial dental associations a very successful dental health month.

* * *

[*English*]

WARSAW GHETTO UPRISING

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on April 19, 1943 Nazi forces entered the Warsaw ghetto to kill or remove all of its occupants. Rather than surrendering the Jews in the ghetto rose up against the Nazi forces determined to fight the inevitable for as long as they could. After 27 days the uprising was crushed. Most of

the ghetto's 60,000 people were killed and the few thousand that survived were sent to death camps.

Fifty years later the Warsaw ghetto uprising and the heroism of the men, women and children who stood up against the attacking Nazis remains as an unforgettable example of human courage in the face of unspeakable evil. It was only one event in the nightmare of the Holocaust which saw the murder of six million Jews. The Warsaw uprising continues to serve as a powerful reminder of that systematic, terrible slaughter.

In commemorating the Warsaw uprising we must reaffirm our commitment to human rights. This 50th anniversary must not only be a time to remember but must also be a call to action. We must translate "never again" into concrete anti-racist action. We must redouble our efforts to fight racism and anti-Semitism in Canada and wherever it occurs throughout the world.

* * *

• (1415)

PEACEKEEPING

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, on Good Friday in Victoria I was honoured to take part in welcome home ceremonies for the Princess Patricia's Canadian Light Infantry returning from peacekeeping duties in Croatia. Local residents are extremely proud of the work our peacekeeping forces do abroad.

Yesterday 135 Canadian soldiers received a hero's welcome in the war-torn city of Srebrenica. Canada's peacekeeping forces in Bosnia have entered the besieged city to evacuate injured Muslims and disarm the government garrison.

Our hearts are with these brave soldiers working amidt a tenuous ceasefire in this bitter conflict. While the ceasefire holds in Srebrenica, the fighting continues unabated elsewhere in Bosnia. Once again Canada's peacekeeping forces are front and centre on the world stage doing their best to protect and save lives.

I know all members of the House will join me in wishing our peacekeepers a safe and secure return to Canada at the end of their tour of duty. We are proud of the work they do on behalf of us all.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Finance, I would like to ask the Prime Minister a question.

Last week, the Minister of Finance published a document announcing for the 10th or 12th time that the government's priority was to reduce the deficit, when we know very well that, for the last nine years, the government has run up deficits of over $30 billion a year on average.

In presenting the budget in the next few days, does the government intend to cut a $5.8 billion program to buy helicopters for the cold war with the Soviet Union when the Soviet Union no longer exists? Will the government accept the opposition's opinion and not buy these helicopters?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the minister did release a document that talks about economic policy in a world of change and about the deficit.

We know that under our friends, the deficit started from nearly zero and grew to $38.5 billion, an increase of 300 per cent. Under this government, it has been cut in half, in terms of the gross national product, and has remained at $30 billion or $32 billion, but that is still too high. We have made very substantial progress in reducing the deficit and we did so by reducing the increase in program spending. Over a 15-year period, program spending had risen 13.8 per cent a year on average. This was reduced to 4.1 per cent over eight years and it is now 2.8 per cent. This is a spectacular turnaround.

Hopefully, this will continue with the finance minister's new budget, the deficit will eventually be eliminated and there will be a reasonable and effective approach to maintaining and reducing the national debt. That will not happen tomorrow but we are now going in the right direction.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, the Prime Minister has refused to answer the question concerning helicopters.

I would like to point out the Minister of National Defence last week said that if one asks the Department of National Defence, it will give programs it will cancel first before cancelling the program for helicopters.

I would like to know from the Prime Minister why there are some programs within the Department of National Defence that make even less sense than buying helicopters to fight the cold war. When will the government act on these programs, if they exist, to ensure that the Department of National Defence or other departments are not spending money like drunken sailors?

An hon. member: If anybody knows about that it is you.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, given the record of my hon. friend in spending government money I would not want to offend any sailor, drunken or otherwise. My hon. friend should be careful.

An hon. member: Very careful.

• (1420)

Mr. Mulroney: I say this with respect. His record, for example as President of the Treasury Board, is probably the worst fiasco in public spending in the history of Canada. The figures are there. We would be happy to table them and have a debate precisely on that.

With regard to the expenditures of the defence department, we have had the debate—

Mr. Dingwall: More sleazy appointments?

Mr. Mulroney: My hon. friend says "more sleazy appointments". We just appointed—

Mr. Dingwall: By you?

Mr. Mulroney: By me. We just appointed Lucie Pépin, a former Liberal member of Parliament, to a 10–year appointment to the National Parole Board.

Hon. Jean Chrétien (Leader of the Opposition): Again the Prime Minister is evading the question. I asked him a very simple question.

Last week the Minister of National Defence said that she might reduce the number of helicopters from 50 to a lower number. A month ago she said that we should not cut one of these helicopters.

I want to know from the government when it will scrap this program. We do not need it at all. It is $5.8 billion of waste. We need the money to cut the deficit or do something to create some growth in Canada.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, one of the things that this project does is create 45,000 person–years of employment in Canada in an area of high technology.

I would point out to the hon. Leader of the Opposition that the Department of National Defence has had its budget cut by $12 billion since 1989. Clearly the government has set priorities in expenditures and the Department of National Defence has cut back.

It is also important to point out that the choice is not between spending this money on the helicopters and zero; it is between spending this money on helicopters of 1990 technology for Canadian men and women in the services and throwing away $2.5 billion to extend the life of 40–year old helicopters after which time, five or ten years at the maximum, we would have to face the question of replacing them.

If that is Liberal economics, Mr. Speaker, I do not think we want any on this side of the House.

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister.

His Minister of National Defence has said she can eliminate the deficit in five years. His Minister of the Environment has said he can do it in only four years. I want to ask the Prime Minister who does he agree with, the Minister of National Defence or the Minister of the Environment? Or does he agree with his Minister of Finance who said only last December that "if you shut the whole government operation down you would not balance the deficit"?

Does anyone in that gang over there really know what they are doing?

Mr. Edwards: Herbie, you are leading with your chin again.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know if it is entirely accurate that it can be done in five years as the Minister of National Defence says, or in four years as the Minister of the Environment says. I do know that after 25 years of Liberal government it cannot be done by any of them in a quarter of a century. That we know.

My hon. friend knows full well that when this government took office the deficit was $38.5 billion. It is now down to $32 billion. As a percentage of GDP it has gone from 8.7 per cent to roughly 4.7 per cent or been cut approximately in half. The deficit as a percentage of GDP is the only internationally accepted criterion for evaluating the impact of deficits. It has been cut in half. It is 5.1 as a result of the recession and scheduled to go back down again to under 4.5. I did not say it was zero, I said it has been cut in half as a percentage of GDP.

I certainly agree with the objectives set out by my hon. friend and my other hon. friend, both of whom will do a much better job running the public finances of Canada than the former President of the Treasury Board who was worse, second only to that President of the Treasury Board.

Hon. Herb Gray (Windsor West): Mr. Speaker, I am surprised that the Prime Minister, in boasting about his record, did not boast about how in only nine years he doubled the public debt to $450 billion, more than happened in all the years since Confederation.

• (1425)

I am surprised that record is not on his mind. Also he has not told us what he thinks of the words of his Minister of Finance who said only last December: "If you shut the whole government operation down, you would not balance the deficit. You would save $15 billion or $16 billion and the senior citizens of this great country and the veterans would not be receiving their cheques".

I ask the Prime Minister this. In the new budget of the Minister of Finance, is he now targeting the old age pensioners and the veterans in terms of cuts in their benefits? If that is the case, why is that a priority rather than cancelling his farewell trips and saving the country millions of dollars?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am offended by my hon. friend. I am making a farewell trip to Windsor to say goodbye to him personally.

My hon. friend from Windsor is deeply troubled, as he should be, by a national debt that has doubled. He is quite right.

Mr. Boudria: Tripled.

Mr. Mulroney: My hon. friend sitting behind is wrong. The hon. member from Windsor is right. It has doubled. The argument that it has doubled exclusively as a result of compound interest on the debt that we inherited is there—

An hon. member: Every penny.

Mr. Mulroney: —every nickel of it, but I will not invoke that argument today.

I would like to know this. Given his indignation in regard to a government that has doubled the debt, what does he have to say about a government that caused the national debt to increase 11 times as the Liberals did when last they were in office?

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

Listening to the Leader of the Opposition and the Prime Minister both arguing over who has done the worst job, there is only one alternative and that is my party.

Some hon. members: Oh, oh.

Ms. McLaughlin: Last week the government released a document called "Changing the Economic Course in a World of Change".

What this has really meant for Canadians is double digit unemployment, doubling the debt and having the greatest number of bankruptcies ever in the history of Canada. Nowhere in this document does it address the issue of unemployment. Nowhere in this document does it address the cost of unemployment. Nowhere in this document is there the cost of the loss of tax dollars because of unemployment.

I want to ask the Prime Minister this. He has one final chance to bring a real change of course with the next budget. Will he do that? Will he bring in a budget based on a full employment policy?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is fighting for the title of which party can do the worst job. She will have to fight pretty hard with her colleagues in Ontario because they are doing a pretty good job.

My hon. friend refers to the document "Charting the Economic Course". She quite properly points out that unemployment remains too high in Canada.

The fact that 48,000 jobs were created last month is a very encouraging sign. The fact that 202,000 new jobs have been created since last August is also encouraging. Perhaps more encouraging is the fact that inflation is now at its lowest rate in 30 years, that interest rates are at their lowest in 20 years and that mortgage rates are at their lowest in 30 years.

I think this is good news for the economy. It promises the kinds of job creation that all members of the House in all political parties want for Canada.

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

For the almost 3.9 million Canadians who do not have a job or who are underemployed, I have to say to the Prime Minister that the course that this government has taken Canada on for far too many Canadians has been a shipwreck.

The pain in this country caused by unemployment was again drawn to the attention of Canadians by the message last week from the Canadian Conference of Catholic Bishops that condemned Canada's combined unemployment and underemployment rate with one in four Canadians looking for adequate work. We will never be able to address the deficit and the debt if we do not get Canadians back working. It is something that we have been proposing for some time.

• (1430)

Will the Prime Minister look seriously at the proposals the bishops have made in terms of looking at unemployment and take this opportunity to really get Canadians back working?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we always look very carefully at proposals from all areas, including the Catholic bishops. We have obviously considered what they have put forward.

I point out to my hon. friend that today in a story it is reported that Canadian manufacturing order books were overflowing in February as the outlook for industry continued to improve. Statistics Canada reported Monday that unfilled orders jumped by 5 per cent from January, the largest monthly rise in five years.

The Royal Bank predicted last week that real growth in Canada would be 3.5 per cent and 4 per cent in Quebec this year, and that the rest of the decade would continue to see steady growth, low inflation and healthy job growth.

The job creation is worrisome here as it is in the United States. In the United States they are referring to it as a jobless recovery. Jobs are being created but the number of people entering the work force continues to exceed that.

All industrialized countries are concerned by it, which is the result of enhanced productivity, greater investment in people and in equipment and therefore the capacity to sell products internationally. It is a double-edged sword that is before us and that we are working with very closely, which explains the programs by the Minister of Employment and Immigration to create new jobs in that sector while allowing the private sector based on exports to do the principal element of work in creating new jobs.

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

The fact remains that the government has choices. One is to cancel a helicopter program that we do not need, that Canada does not need.

[*Translation*]

But I would repeat that, in their pastoral message, the bishops say:

> Such widespread unemployment undermines society's moral fibre and must be eliminated. It deprives workers and their families of the income required to meet their basic needs. It also deprives people of their dignity and their self-esteem.

When will this government understand the damage done by its policies, change direction and table a budget to help Canadians and their families? It is very urgent at this time and I would like to ask the Prime Minister this question.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I just said in English that the number of jobs had increased by 48,000 last month, the eighth month in a row that employment grew.

This comment from the Royal Bank of Canada is very significant: "An increase of 48,000 jobs is very encouraging. The Canadian economy has turned the corner. The annual rate of job creation has reached 1.3 per cent, the highest since the recession began". This renewed optimism led 85,000 more people to look for work last month

and the number of jobs has increased by 200,000 since August.

This is not a miracle but sustained, steady, impressive progress that will achieve my honorable friend's social objectives.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, two weeks ago the government House leader stood in the House and defended the government's handling of the unfortunate incident in which the Canadian public learned through the media about the death of a Somali involving five Canadian peacekeepers three weeks after the event.

My question is for the Minister of National Defence. Why did the minister not inform the House of this incident as soon as it happened?

• (1435)

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the incident was made public the day after it happened by a press release from the Department of National Defence in theatre. I have here a copy of the press release that was issued March 18 of this year.

The event was made public immediately. There was some confusion because a copy of this press release was not communicated to the Department of National Defence in Ottawa and I have instituted a revision of our communications policies to ensure that does not occur again.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, last week the military announced that the Somali death of March 16 should have been announced as soon as it happened instead of waiting. They announced there is an error.

The DND director of public affairs said that delay was a result of confusion over two separate incidents occurring over two separate days.

My supplementary question is for the Minister of National Defence who should know it is ultimately the minister's responsibility, and the minister's alone, to inform Parliament and the Canadian public. Why is the minister allowing departmental officials to take flak over this issue and why does she not admit to exercising poor judgment in this case?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, events of this sort are always communicated in the same way directly to the press. There was another event that happened at a similar time that was picked up by the press. This one was not. It is not the custom to always announce these things in Parliament as that hon. member knows well from his experience in the military.

As I have said it was an unacceptable mistake that this was not communicated to defence headquarters and I have taken steps to ensure that error would not happen again.

* * *

HELICOPTER PROGRAM

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of National Defence who has been running around the country saying politicians have to listen to Canadians. At the same time she ignores the fact that four out of five Canadians oppose her helicopter project.

She is prepared to spend billions of dollars to prop up an Italian firm, Agusta, even though that company is at the centre of the corruption scandal which is rocking democracy in Italy. The president of the firm has been arrested on charges of bribery and corruption. There is an arrest warrant outstanding for the director general and the police are searching for other executives of the firm.

Does the minister really think she is listening to Canadians when she is spending billions of dollars of Canadian taxpayers' money to do business with a company that is rocked by scandal?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, even if I were not Minister of National Defence, I was Minister of Justice and I am a lawyer and I am someone who has respect for the law and the rules of evidence. I would

never institute a judicial inquiry for a circumstance under which there is not a scintilla of evidence to suggest any wrongdoing or any impropriety with respect to a contract entered into by the Government of Canada.

I think it is one of the shoddier examples of political rhetoric I have seen in my life in politics to hear what is being said by members on that side of the House about this particular matter.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, Canadian politicians did not arrest the president of the company who was under suspicion for bribing the Italian government; the Italian police did.

I would therefore like to ask the minister whether she thinks that she is taking good care of Canada's finances when she does business with a company involved in a national scandal in Italy.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I have great respect for the truth. The truth is that an individual, not the company, was charged. There is no relationship between the actions of this individual and the company. That is the truth and the hon. member must admit it.

[*English*]

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Minister of National Defence.

The minister has rejected a judicial review of the helicopter purchase, yet the minister herself said on April 9 in Sarnia: "We might want a review of how many we are purchasing for the navy".

Will the minister agree that we need a review not only of how many helicopters the government should be purchasing but why the government is proceeding with this purchase in the first place?

• (1440)

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, as the hon. member will know, the original plan for the purchase of ship-borne helicopters was to buy 45 helicopters and as a result of the changes brought about by the end of the cold war that estimate of the number of helicopters required for ship-borne service in the Canadian navy was reduced to 35.

I believe as minister of defence that our department should continue to review these things in light of changing circumstances, although I see no indication in the short term that there should be a change in that.

I am looking forward to the work that the standing committee is going to be doing in the coming weeks looking at the helicopter purchase. Quite frankly I was very much affected by the unanimous report that the committee of which he is a member gave in November 1990 where it urged the Government of Canada to replace the ship-borne helicopters as planned with the EH-101 and to do it as soon as possible to avoid costly interim measures.

Mr. John Brewin (Victoria): Mr. Speaker, as the minister knows, the committee did not in fact specifically recommend the purchase of these particular helicopters.

Mr. Mulroney: Yes, it did.

Mr. Brewin: But that was in 1990.

Some hon. members: Oh, oh.

Mr. Brewin: The defence committee is prepared to look afresh at this and I would suggest that the government when it is spending $5.8 billion of the public's money should be flexible enough to review it.

I ask the minister this question. Given that the helicopters are being made by a company that is in deep financial trouble, whose president is facing charges of corruption and that one test flight has already crashed killing four people, why is the government persisting in being a participant in a project that may itself never fly?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, because in the wisdom of the committee of which that hon. member was an active member—and I might add he had a minority report that did not dissent on this particular point—and in which that member participated fully it recommended that we proceed with this purchase. It did recommend specifically this particular helicopter and I am in the hands of the committee.

Some hon. members: Hear, hear.

[*Translation*]

THE DEFICIT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of the Environment.

Some hon. members: Hear, hear.

Mr. Martin: Well, let us give him a chance.

Last week, the minister announced he would get rid of the deficit in four years. Aside from cutting social programs, he was not very specific about how he would do this, probably because it would be too hard on his cabinet colleagues.

That being said, perhaps he could tell us what he intends to do about his own backyard. I am getting to my question. Will the minister confirm that he intends to make cuts in his own department and, if so, where? For instance, would there be more cuts in the green plan?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, first of all I would like to thank the hon. member for LaSalle—Émard for his question. I would be delighted to send him a membership card so that he can vote for me on June 13.

I was also glad to hear he is taking a keen interest in our party's leadership campaign and in commitments I made about reducing the deficit and the public debt, commitments which were supported by members of my own party. I proposed a five-point plan which covers all aspects of federal spending.

I can give the hon. member the assurance that, as Prime Minister of Canada, I intend to review all public spending, as all prime ministers must do when they take up their duties.

[*English*]

Mr. Paul Martin (LaSalle—Émard): I am not sure, Mr. Speaker, that I would like a card in his party. On the other hand, I am not sure he would want my advice on leadership races.

My supplementary question is for the Minister of Finance or whoever is replacing him. Last week the Minister of the Environment stated that he would erase the deficit in four years. This minister has been a member of this government throughout much of its term. The question therefore is: Has he been keeping the tremendous insights into fiscal policy to himself over the years? If not, why has the government not adopted his plan?

I speak to the Prime Minister. As the national debt has ballooned under this government over the last decade, why has Canada been deprived of this new-found voice of fiscal rectitude?

• (1445)

Right Hon. Brian Mulroney (Prime Minister): I do not know.

Some hon. members: Oh, oh.

Mr. Speaker: The Prime Minister may want to continue, but it might be a good time to stop. The right hon. Prime Minister.

Mr. Mulroney: I will think about it.

Some hon. members: Oh, oh.

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NATIONAL PARKS

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is also for the Minister of the Environment.

As the chain-saws rev up to cut into the hearts of centuries old trees in Clayoquot Sound on Vancouver Island, environmentalists around the world are mobilizing to save this example of one of the earth's largest unlogged temperate old-growth forests. The Liberal Party has asked the minister to preserve this global treasure by including it in the Pacific Rim National Park.

Has the minister taken any action to save Clayoquot Sound? Will he take any action?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I received a letter written by the hon. member and the hon. member for LaSalle—Émard on the issue of Clayoquot Sound. I think they would have done well to also send a copy of the letter to the Government of British Columbia given the fact that these lands belong to it and that this is first and foremost a land management issue in the province of British Columbia itself.

The hon. member will know that through the green plan the government has established an approach by which we want all 39 natural regions in Canada represented in our national park system. We now have 23 of them represented including that area. We are now trying to move as rapidly as we can to have the 16 additional regions also represented in the national park system.

Our priorities, of course, are going into areas where we do not already have representation.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary is for the same minister. I certainly hope he can move faster than the chain-saws.

Months away from a general election and perhaps a new government in Canada, the Minister of the Environment is failing to do his duty to preserve Clayoquot Sound for future generations.

I ask the minister, how can he preclude this option for the future? How can he stand silent while the forests that have stood for centuries face destruction? Is this the kind of legacy he wants to leave? Is this the kind of leadership he wants to give?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the hon. member will know that the Government of Canada has moved to include many regions of Canada in our national parks system. For example, we created South Moresby National Park. We created two new national parks in the last year. We set lands aside in North Baffin Island and also signed an agreement for the park on Banks Island in the western Arctic.

We have met our commitments to include some lands in our national parks system. We are striving now to include all regions in the country as we move along with this initiative.

* * *

WESTRAY MINE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Prime Minister.

In response to an Order Paper question I put forward on March 18, 1991 the parliamentary secretary to the Prime Minister responded that correspondence and calls received by the Office of the Prime Minister regarding the Westray coal mine project were noted and forwarded to the Ministry of Industry, Science and Technology.

Yet in reading an access to information response we found that Stanley Hartt and Peter White, the chief of staff and principal secretary of the Prime Minister, on October 16, 1988, on October 17, 1988, October 26, 1988, November 7, 1988, November 14, 1988, January 6, 1989, January 9, 1989, February 4, and February 8 were directly involved in the funding arrangements. Often they were involved in phone calls and often they were the only representatives of the federal government present.

Why was there a cover-up? Why was that information kept from Parliament?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member knows we have already tabled over 7,000 pages of documents and more will be forthcoming.

He should know too if any mine were going to be established in a region where unemployment was high and regional economic development was needed that the mayors, the reeves, the municipalities and so on of that region would be pressing for it and would be knocking on every door. They would knock on the doors of the Prime Minister and the Minister of Industry, Science and Technology. They would do everything they could to bring the project to fruition. The people who were against it would probably do the same.

• (1450)

There is nothing in this that should alarm anybody who knows how governments work.

Mr. Rod Murphy (Churchill): Mr. Speaker, if that information is what the government wishes to portray, why did it not say that in answer to my question long before the disaster?

On March 18, 1991 again the correspondence was noted and forwarded. Evidently, from what was available through the access to information request, the Prime Minister's office was involved directly and heavily. The chief of staff and the principal secretary of the Prime Minister often were the only federal government representatives involved in the negotiations.

If that is a proper course, why did the government not come clean then?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member's facts are wrong and he knows they are wrong. Just about every key department of government was involved in that decision. People were debating it on both sides.

Let us take Churchill or Thompson, Manitoba where the hon. member is from. Let us say that somebody wanted to start a major regional economic expansion there. All sorts of presentations would be made to the Government of Canada. They would knock on every government department door possible in order to see this happen. That is what happened in Nova Scotia as well.

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[*Translation*]

BARRIERE LAKE ALGONQUINS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of State for Indian Affairs and Northern Development. In 1991 a trilateral agreement was reached on an integrated management plan for renewable resources, covering forestry and wildlife in an area of about 10,000 square kilometres located partly within the La Vérendrye wildlife reserve and surrounding area in Quebec.

What does the minister intend to do about supporting the efforts of the Barriere Lake Algonquins to protect the environment in the La Vérendrye wildlife reserve? Today, the Barriere Lake Algonquins want to erect barricades to prevent logging companies from entering the forest, saying they want to protect the fauna and flora. They want to maintain a 60-metre buffer zone, not the 20-metre zone which meets current standards under Quebec law.

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development): Mr. Speaker, I wish to commend the hon. member for Abitibi on his work on these issues, and also the hon. member for Pontiac—Gatineau—Labelle, who has been been involved in this matter for some time.

As the hon. member for Abitibi pointed out, a trilateral agreement was signed in 1991 on the management plan, and a working agenda was drawn up by the Government of Quebec and the Algonquins. I recently met Chief Matchewan, who is trying to persuade the Quebec government which withdrew from the negotiating table to come back to the table and resume negotiations on the management plan. As pointed out in the agreement, the federal government is involved in a trustee role, and my department will continue to act in that capacity.

* * *

[*English*]

WESTRAY MINE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Justice.

The legal counsel for the Westray inquiries said on March 30 that if he did not receive the documentation necessary for a proper investigation he was going to commence legal actions. Our records show that at least 80 pages of this documentation have been censored including 60 pages from the Prime Minister's own file.

Will the government and particularly the Minister of Justice provide to the inquiry uncensored copies of those pages, yes or no?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I do not know how the hon. member could know what is missing and what has been changed because the commission has this information. We passed thousands of pages to it on April 8. It has all these documents and it is going to keep them confidential until the judicial proceedings on criminal charges are dealt with.

How could the hon. member know whether there are 60 pages, 6 pages or 6 words missing?

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, all members of the government when questioned on this said as long ago as last May that they would co-operate fully with the inquiry. This includes the Prime Minister and the House leader. In fact on June 9, over 10 months ago, the government House leader said: "The government has been forthcoming with all the background documents necessary for the people to examine what has occurred and reach their own conclusions".

• (1455)

As the minister in charge of the documentation to the inquiry, why has he and his predecessor held back 11,000 pages of documentation which was only sent to the inquiry last week?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the pages we sent to the inquiry were at the express request of the inquiry itself and the commissioner.

Does the hon. member want to complicate another process, which is the criminal process, by releasing documents that this commission has? We have to wait until the commission is done with them and until the judicial inquiry has reached the proper stage. He knows that.

We have been very open right from the beginning. There are thousands of pages. We have sent documents to the commission that even the commission did not know it had, claimed it did not have and then found it had them. We have been very open. We will continue to be open with the commission because we, hopefully like the hon. member, want to get to the bottom of this safety issue. It has been regulated by the province. It is a provincial commission of inquiry and we want to help it get to the right answer.

* * *

THE ECONOMY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Prime Minister.

As a result of the government's economic mismanagement, poverty has become a permanent feature of urban life across Canada. In fact over 10 per cent of Toronto's population have had to rely on food banks at one time or another. Over 66 per cent of those individuals have lost their jobs recently, thanks to the Tory recession.

Given that the rising dependence of food banks in our country has become a chronic epidemic, when will this government finally drastically alter its economic course so that people can regain their jobs as well as their dignity?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I read with great interest the report that came from Statistics Canada showing the excellent track record of this government including family incomes, particularly women's incomes.

Real average incomes grew by 9 per cent over the 1985–90 period and almost all family types and all regions experienced this increase. Women's incomes which should be of particular interest to my hon. friend are catching up with men's. Their average wages grew 11 per cent between 1985–90 while those of men grew by 3 per cent. We are making progress and we expect this to continue as the economy improves over this year and next.

As the hon. member knows, the OECD, the World Bank and the IMF all predict that Canada will lead the G–7 in growth both this year and next year. That is extremely important for job creation and the wealth of Canadians.

Mr. Sergio Marchi (York West): Mr. Speaker, the government just does not get it. Last year over 75 million pounds of food were delivered to needy Canadians by Canadian food banks. Those are Third World statistics.

How can these Canadians have any hope with this government's sense of priorities when the federal government is spending $1 million on a final farewell tour by this Prime Minister?

I challenge the Prime Minister and I ask: Will the government instead donate $1 million to the Toronto Daily Bread food bank? This would allow it to provide 700,000 meals to needy Canadians and would really be putting Canadians first rather than the gratification of this Prime Minister.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the boys are getting jumpy over there. I can see they are really getting worried and they have good reason to be worried.

An hon. member: They do not like those polls.

Mr. Mulroney: This is the kind of scurrilous question which slanders Canada in regard to calling us a Third World country. We have problems in this country but Canada treats all of its citizens better than any other country in the whole world. Do not say that you have the right to sneer.

• (1500)

The minister has put together an unprecedented package to assist people in need and children in need. There are billions of dollars that have been increased some 20 per cent over the last term in regard to helping people in Canada who need the help most of all.

On that point my hon. friend is right. We have been working very, very carefully and very well. But it is to do a dishonour to Canada to suggest that we find ourselves in the company of Third World countries which unfortunately find themselves in a league totally different from ours. That is unfair and inaccurate.

With regard to my trip, I point out to my hon. friend that he was very eulogistic in 1984 when his former leader on the way out went to Czechoslovakia, Switzerland, East Germany, Romania, Moscow, London and Paris. Where was he then?

* * *

GREAT LAKES

Mr. Girve Fretz (Erie): Mr. Speaker, my question is for the Minister of Transport.

As reported in a recent news account, a senior official with the Canadian Coast Guard stated that it lacks equipment or plans to deal with a major chemical spill from a tanker in the Great Lakes.

My question for the minister is this: Is that report true? If so, what does the minister intend to do about it?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I think the hon. member knows that next to safety of life, prevention of marine pollution including marine spills is the Coast Guard's first priority.

We take great pride in the fact that over the past years with the help of people from environment and the Coast Guard all chemical-carrying tankers must now comply with stringent construction and operating standards. Many are double hull as he probably knows.

By regulation the industry is required to have the capability to respond to spills of over 300 different types of chemicals. The Coast Guard's primary role is to ensure potential polluters are able to respond. I think they are doing an excellent job and will keep improving the situation.

Mr. Speaker: I should advise the House that we will begin with a question of privilege from the hon. member for Churchill. I will follow that with a ruling which I am obliged to bring to the House.

Following that, and I want members to know this, there will be a tribute to a former colleague of ours from British Columbia, Alex Patterson. I think the hon. member for Fraser Valley East will speak first and I understand other hon. members will want to say something.

To begin with, the hon. member for Churchill on a question of privilege.

* * *

PRIVILEGE

WESTRAY MINE

Mr. Rod Murphy (Churchill): Mr. Speaker, on December 8, 1990 before the mine disaster occurred at Westray, question No. 437 was placed on the Order Paper on my behalf. The question read: "Were any calls or correspondence exchanged between the Prime Minister's office and any person or organization inside or outside government regarding the Westray coal mine project at Pictou, Nova Scotia? If so, on what dates and with which parties?"

I placed that question on the Order Paper recognizing it was one that required detailed study by government because I wanted a detailed answer. I recognized at that time that government officials had many questions about the funding of the Westray project. We were curious to know exactly what the role of the Prime Minister's office was with regard to that particular project.

On March 18, 1991 the Parliamentary Secretary to the Prime Minister responded to me stating in part: "Correspondence and calls received by the Office of the Prime Minister regarding the Westray coal mine project are noted and forwarded to the Minister of Industry, Science and Technology".

During the break I had an opportunity to read the information the government had to file as a result of the access to information request put forward by the Halifax *Chronicle-Herald* on this very issue.

As I noted during Question Period, there were a number of times when either the principal secretary to the Prime Minister or the chief of staff of the Prime Minister, Peter White and Stanley Hartt, were directly and personally involved in these discussions. They took phone calls, made phone calls, attended meetings with government officials and attended meetings with representatives of Curragh Resources.

• (1505)

I know if there have been a number of rulings by speakers one cannot really argue about an answer; if one does not like the answer it is a matter of argument and

not privilege. However I would ask you to review those past precedents, because in this particular case—and I would like to point out that my questions were asked long before the mine disaster—I was asking for specific information. I was following the rules this House sets forward to get specific information. On a number of occasions I have heard various parliamentary secretaries to the government House leader say: "These answers require extensive work; they require expensive work".

That is the purpose of these types of questions. From the correspondence and calls I received that are noted and forwarded, it is evident to me that the answer I received is a very inaccurate one.

I asked that question on behalf of a number of Canadians who had approached our offices on this issue. By giving them this information, which came from the Parliamentary Secretary to the Prime Minister, I was giving them false information. As a member of Parliament, I took the information that was given to me, which was false, and forwarded it to other Canadians.

Mr. Speaker, my appeal to you and my question of privilege is this: How do we get accurate information and how do we serve our constituents and other Canadians if the information we receive from government ministers and their parliamentary secretaries is false?

Mr. Speaker: I think it should be noted that no member is rising so at the moment I am going to consider the intervention of the hon. member. If by any chance anyone wishes to say anything, then they should indicate that to me.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): I would like to briefly respond to that.

I find this point of personal privilege quite difficult to understand. Frankly we have—

Mr. Speaker: Just a moment. I am faced with that dilemma often. I indicated to the House that I would look carefully at the intervention of the hon. member. I have invited the minister to respond if he wishes. If he wishes to take advisement on the matter and come back to the House when he is prepared, I will certainly hear him.

Mr. Hockin: Mr. Speaker, if you would like to take it under advisement fine, but my answer during Question Period is the same answer I would give today. Within the Government of Canada all sorts of departments are constantly spoken to when regional industrial projects are being promoted.

Mr. Speaker: I would like to say to the minister that one of the reasons I want to take it under advisement is that I was listening very carefully to the exchange earlier in Question Period. I will report back and let the hon. member know when it is appropriate to do so.

* * *

PRIVILEGE

SPEAKER'S RULING

Mr. Speaker: I have a ruling which I am now prepared to share with the House on the question of privilege raised by the hon. member for Scarborough—Rouge River regarding the tabling of Order in Council PC 1992–2715, pursuant to Section 59(5) of the Customs Tariff; and the question of privilege raised by the hon. member for Winnipeg South Centre regarding the tabling of the government response to the Standing Committee on External Affairs and International Trade report.

Members will remember that when the hon. member for Winnipeg South Centre raised the matter, which he did, I advised him that a similar matter was before me and I would try to deal with them both at the same time.

• (1510)

I would like to advise all hon. members that I am now ready to rule on the question of privilege raised on Wednesday, February 24 by the hon. member for Scarborough—Rouge River regarding the failure of the Minister of Finance to table an Order in Council pursuant to section 59(5) of the Customs Tariff.

Regrettably this issue is not new to this House, having been raised by the hon. member just over a year ago. I would like to thank the hon. member for bringing this matter to the attention of the House again and the Deputy Prime Minister and Minister of Finance for the response.

I will deal as well in this ruling with the question of privilege raised on March 29, 1993 by the hon. member for Winnipeg South Centre concerning the late tabling of a government response to a committee report from the Standing Committee on External Affairs and International Trade.

In presenting his claim for breach of privilege the hon. member for Scarborough—Rouge River explained that on December 29, 1992, pursuant to section 59(2) of the Customs Tariff, the Governor in Council adopted Order in Council 1992-2715.

The hon. member's question of privilege concerned section 59(5) of the Customs Tariff which explicitly states: "The Minister of Finance shall cause a copy of any order made pursuant to subsection 2 to be made before Parliament on any of the first 15 sitting days after the making thereof that either House of Parliament is sitting".

Pursuant to this statute, the order referred to by the hon. member should have been tabled on or before February 15, 1993. However as the hon. member noted, the Minister of Finance failed to do so.

For the information of all members I would like to note that the document cited was tabled subsequent to the question of privilege being raised on February 25, 1993. Nonetheless, this eventual tabling of the order does not correct the situation or resolve the fundamental problem.

Let me begin by saying that I find this situation particularly disheartening because of the striking resemblance it bears to the situation which gave rise to the question of privilege raised a year ago. In both cases the Minister of Finance was required by section 59(5) of the Customs Tariff to table an Order in Council within a prescribed time.

I am not making any of these comments in any personal sense and members will understand that but there are people in departments who know these rules and are supposed to ensure they are carried out.

In both of these cases the government failed to do so until after the matter was brought to the attention of this House.

[*Translation*]

The key element of the question of privilege raised by the hon. member for Scarborough—Rouge River is based on a statutory requirement. That is, the ministry was legally obliged to table a copy of an order made by the Governor in Council within a time limit determined by the Customs Tariff.

[*English*]

I find it necessary to also repeat the hon. member's statement of one year ago that, and I quote the hon. member: "It is difficult to conceive of any command of this House that could have more legitimacy than one contained in a law passed by this House".

As the hon. member succinctly stated when this very issue was raised in February 1992: "Subsection 59(5) of the Customs Tariff is a statutory provision and statutes are the highest form of command that can be given by this House. In my view the disregard of that legislative command, even if unintentional, is an affront to the authority and dignity of Parliament as a whole and of this House in particular".

[*Translation*]

It is an opinion that I share and that I expect to prevail in this Chamber. The statutory laws which have been agreed to by members of this House do serve a purpose and are meant to be respected.

[*English*]

As a servant of the House of Commons it is my duty to uphold the dignity and authority of this place. It is an obligation of the Speaker with, of course, the support of the members. At the very beginning of a Parliament every speaker addresses the Crown as represented by the Governor General, by claiming all the rights and privileges, in particular that members may have freedom of speech in their debates, access to His Excellency's person at all seasonable times and that their proceedings may receive from his "Excellency the most favourable construction".

• (1515)

In the present case it is not merely an order of the House that has been violated, but a law duly assented to by the Crown as a constituent part of Parliament. The delegate of the Crown has not met the exigencies of the law of Parliament.

As I have said before, Canada is not an executive democracy nor an administrative democracy, but a parliamentary democracy. If the Speaker has to remind the Crown formally at the opening of every Parliament then those who serve it should take note.

As members are well aware, the tabling of documents constitutes a fundamental procedure of this House. It is a part of our rules and ensures that members have access to the information necessary to them to effectively deal with the issues before Parliament.

In addition, as I mentioned a year ago, the rules of the House specify that all reports, returns and papers to be laid before the House in accordance with the requirements of the statute are automatically referred to a standing committee, pursuant to Standing Order 32(5). Consequently, ministers and departmental officials must ensure that required documents are tabled so the House has a copy for the information of members and for review by one of its committees.

The requirements contained in our rules and statutory laws have been agreed upon by this House and constitute an agreement which I think all of us realize must be respected.

There has been a growing number of complaints raised by members in the past year about responses to petitions not being filed within the required time and answers to written questions being answered late. I understand that we live in an imperfect world. Nonetheless, what I refer to is all on the record and today I am dealing yet again with a document not being tabled within the legally prescribed time period.

In addition, the member for Winnipeg South Centre raised the issue on March 29, 1993 that the government was in breach of Standing Order 109 by not presenting the comprehensive response to the report of the Standing Committee on External Affairs and International Trade on the future of Canadian military goods, production and export to the House within the 150 days required.

[*Translation*]

Members cannot function if they do not have access to the material they need for their work and if our rules are being ignored and even statutory instruments are being disregarded.

[*English*]

I believe the House management committee should be given the opportunity to look into this whole question of late tablings. I am therefore prepared to find a prima facie case of breach of privilege and allow the hon. member for Scarborough—Rouge River to move a motion referring this matter to committee.

In this way I am allowing the House to decide whether or not it shares my concern about the growing severity of this problem. The House may then decide whether or not it feels the House management committee should be tasked with considering the issue.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I want to thank you for a ruling which I believe will fortify the rules and procedures which will enable Parliament to better reflect the will and franchise of Canadians. Accordingly, on behalf of all the members of the House, I move:

> That the matter of the non-observance of the tabling requirements for Order in Council PC 1992-2715 and other documents in the House of Commons be referred to the Standing Committee on House Management.

Mr. Speaker: Is the House ready for the question?

Some hon. members: Question.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

THE LATE ALEXANDER BELL PATTERSON

Mr. Speaker: I am very grateful that many hon. members have remained. Our colleague, Alex Patterson, who was well known to many of us in this place, and certainly well known to all of us from British Columbia, has passed on. This is our first chance since that happened to speak appropriately of Alex and give our proper sensitivities to his family. I am going to ask the hon. member for Fraser Valley East to commence.

• (1520)

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, it is my honour today to say a few words to note the passing of Alex Patterson, a former member of this House of Commons and my predecessor as the member of Parliament for Fraser Valley East.

Alex Patterson spent most of his adult life working on behalf of the people in Fraser Valley East. He represented the riding in Parliament for most of the period between 1953 and 1984. In that period he earned a reputation as a hard worker and served as an MP for both the Social Credit Party and the Progressive Conservative Party.

Alex generated a good reputation in the riding not based solely on his ties with the Social Credit Party or the PC Party but more as a hard working gentleman who emphasized being involved at the grass roots level in the community.

Alex Patterson was born in 1911 in Raymore, Saskatchewan, a prairie boy like myself, and moved to Abbotsford in 1951. It was in the early years, while carrying out his responsibilities as a minister of the gospel in the Church of the Nazarene, that he was approached to run in the 1953 federal election. His background and training in the church gave Alex a very clear view of right and wrong. He tried to emphasize these positions in his speeches during his first election campaign and continued to do so as the member of Parliament.

Alex was first elected in 1953 and then defeated in the Diefenbaker sweep of 1958. He was re-elected in 1962 and was defeated in the Liberal victory of 1968. He was then asked to serve under the Progressive Conservative label instead of the Social Credit label and accepted that challenge. He was elected in 1972 and served in this House until 1984 when he announced his retirement and I was nominated to stand as the Progressive Conservative candidate.

It was my privilege to attend, along with my wife, the funeral services held in Abbotsford on April 6 and to express the condolences of my wife and myself to his wife Charlotte, their four children and their spouses and his many grandchildren who were there. They are a credit to Alex and Charlotte's life together. I want them to know that this House appreciates the contribution that Alex made not only to the community of Fraser Valley East in British Columbia but to Canada in his service in this House of Commons.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, on behalf of the Official Opposition it is an honour to pay tribute to our late colleague and friend, Dr. Alexander Bell Patterson.

There are many things that might be said about the former member for Fraser Valley, subsequently Fraser Valley East. Which member of this House, except for the member for Parry Sound, like Alex won fully nine of the eleven elections he contested over more than a 30-year period?

In 1965 Alex was acting national leader of the Social Credit Party. In 1972 he changed parties and was elected again. As a friend, Ewald Rempel, noted the other day: "Regardless of what party he ran for he would have won. He was very popular".

People might dispute why he was so well loved. Having known him between 1979 and 1984 I think his success had much to do with his religious values and deep personal honesty. He saw elected office as a stewardship, an extension of the church ministry. He would never put himself ahead of his constituents. He cared about all of them without favour and without fear. He worked hard for farmers, small business people and all others in the Fraser Valley.

This is not to say that our colleague, while often low key, could not be blunt. Members will perhaps recall what he once said about the Trudeau government: "It has destroyed the confidence of the international community in Canada's economy. It has destroyed the confidence of Canadians". Similarly, he once described the CBC as: "One of the foremost purveyors of anti-social, anti-family, amoral philosophy, contributing to the undermining of the moral fibre of this nation". He was concerned with more important issues than political correctness. Pierre Trudeau campaigned twice during six months in Fraser Valley East before the 1974 election in an effort to beat him but Alex was re-elected.

I must not close without making reference to his beloved family, his wife Charlotte and his four children, Lawrence, Ruth, Goldie and Wayne.

• (1525)

In summary, Alex was a strong family man who both inspired and instilled traditional values and commitments to one's calling. The early years, when MPs were allowed one train trip for every three-month period, were often difficult but he was committed to doing the best job possible and working for the constituents of the Fraser Valley riding he represented for nearly 24 years.

Columnist Allan Fotheringham said prior to one election: "The Fraser Valley is definitely Patterson country". Community was important to him and he enjoyed the charity work carried out through his long-time association with the Kiwanis Club and the Chamber of Commerce. He was a good man who served full time in the Christian ministry for over 20 years before he was

persuaded to run for Parliament. A colleague commented that his experience in the pulpit made him one of the easiest speakers to listen to in this House. Though his voice was strong and authoritative in the House his firm Christian faith was quiet and always consistent. His background in the ministry served him well in encouraging what he thought was the ethical fibre needed in parliamentarians.

When a secretary passed away and no funeral was planned several staffers asked Dr. Patterson to lead a memorial service for those who wished to remember and pay their respects. It was not unusual for colleagues and staffers from various areas of the Hill to drop by his office to discuss a difficult time or ask for a word of encouragement and advice.

Following a stroke in early March of this year our friend was in hospital for four weeks when family members were able to gather. He passed away peacefully in the arms of Charlotte, his loving wife of 56 years, with his children at his side. Alex is fondly remembered, deeply missed and will always remain so to his family, friends and colleagues here. He will remain a perfect example of a faithful husband and father.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, on behalf of my colleagues in the New Democratic caucus I would like to extend our condolences to Mr. Patterson's family and to join in remembering him and his service here in the House of Commons.

I remember him personally. We shared five years together here. Although I did not have the opportunity to work with him in committee and therefore did not get to know him very well the overriding image I have of him is that of a real gentleman. He was a fellow whom one could speak to in the elevator, the hallway or the House, and although members said he could be forthright he was the kind of person one felt one could talk to. Sometimes those things do go together. I want to express our condolences.

Looking over Mr. Patterson's career before I came to this House I noted that he was defeated twice and re-elected. That is not something that happens to a lot of members. It is an unusual thing for someone to be twice defeated at different intervals and then re-elected. It shows his commitment to the House of Commons as a place where he wanted to live out his commitment to his understanding of reality.

I note also that he was a minister in the Nazarene Church and I appreciate that element of his vocation as well. Although as a fellow Christian I may have come to different conclusions about how we express our Christian faith in political life that is something I also want to take note of and to respect.

Mr. Benno Friesen (Surrey—White Rock—South Langley): Mr. Speaker, I want to join my colleagues in paying tribute to a man everyone here respected. He was a man of whom it is easy to speak well because he was a good man. He was thought well of in the party, in the entire House of Commons and obviously by his constituents.

I remember my former colleague, the former member from Capilano, told me once that when Alex Patterson was speaking he would come down from his office and listen to him in the House. That says something about the quality of speaker that Alex Patterson was. It was good oratory but it was also good content. He was a good member of Parliament.

I think the members of the opposition also recognized that while he spoke in opposition he did not speak in malice. There is a great deal of difference between the two. We in the House of Commons need to learn lessons like that from a man like Alex Patterson.

• (1530)

Obviously he was also a good member for his constituency. As members who have spoken before me have noted, he was a man who was constantly re-elected. As my hon. friend from Winnipeg Transcona has mentioned, he could also be defeated but was re-elected. That does not happen too often.

He was re-elected under changing circumstances for his riding. If one compares the boundaries of his constituency in 1953 to what they were in 1984 one recognizes that there were many changes in his constituency both in its size and in its constituents. Yet he commanded the respect of the people all through those years. At the outset it was a constituency that was probably entirely

agricultural and certainly rural. By the end of his career it was changing and becoming light industry and commercial. Certainly today that constituency is enjoying a different kind of change. Through those changing circumstances he always enjoyed the support and respect of his people.

I guess one could say that with Alex Patterson you could get old and maybe even old-fashioned, in the best way of interpreting that word, but he was never an old fogy. Old-fashioned in the best sense of the word, he maintained the values that have given Canada strength and made it the country that it is today.

We pay respect to him because he could be a pillar but he could also be pliable. That speaks well of him.

I want to join others in that respect. He was always in touch with the people. One could not be re-elected the way he was without being in touch with the people.

In the words of the book of Acts it was said that Barnabas was a good man. The same could be said of Alex Patterson.

I would like to add just one anecdote which does not come from his political career or the Chamber but his family life, which he has passed on to the next generation. He was a man of Scottish descent. As other members have noted, he was a minister in the Nazarene Church. One of his children went into the ministry and decided to go for further training in the United States south of the Mason-Dixon line. The grandchildren were put in public school in kindergarten.

On the first day home from school his grandchild came home all enthusiastic. He came home and said: "Mom, I have a terrific teacher. She looks just like you". The mother was pretty excited about this and could not wait for parent-teacher night to arrive so that she could see this teacher who looked just like her.

The night came and she went to visit the school to see her son's teacher, and she was black. Here is a teacher teaching a child who did not see the colour. That did not happen by accident. That was not a casual incident. That happened because the parents learned from their parents that all men are created equal and they are created with dignity by their creator. They learned that everyone deserves the respect of everyone else regardless of who they are. That is the kind of a heritage that Alex Patterson passed on to his children who then passed it on to their children. That is the lesson all of us need to learn from a man like Alex Patterson.

Mr. Speaker: I want to thank hon. members for their commentary and I advise the House that the proceedings will be sent to Alex's family immediately.

ROUTINE PROCEEDINGS

• (1535)

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 32 petitions.

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

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HOUSE MANAGEMENT

PRESENTATION OF 85TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I have the honour to present the 85th report of the standing committee on House Management on the membership of the standing committee. With leave of the House, I intend to move concurrence in this report later today.

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

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CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Tom Hockin (for the Minister of Finance) moved for leave to introduce Bill C-122, an act to amend the Customs Tariff (textile tariff reduction).

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Hockin for the Minister of Finance moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

SEIZED PROPERTY MANAGEMENT ACT

MEASURE TO ENACT

Hon. Tom Hockin (for the Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)) moved for leave to introduce Bill C-123, an act respecting the management of certain property seized or restrained in connection with certain offences, the disposition of certain property on the forfeiture thereof and the sharing of the proceeds of disposition therefrom in certain circumstances.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Hockin for the Minister of Justice and Attorney General of Canada and Minister of State for Agriculture moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

HOUSE MANAGEMENT

CONCURRENCE IN 85TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, with leave of the House, I move that the 85th report of the Standing Committee on House Management, tabled in the House earlier today, be concurred in.

The Acting Speaker (Mr. DeBlois): Since the report was tabled earlier today, I will ask one of the clerks to read it so that hon. members will be acquainted with its contents. I will then put the motion.

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

Some hon. members: Agreed.

Motion agreed to.

[*English*]

PETITIONS

YOUNG OFFENDERS ACT

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, pursuant to Standing Order 36 it is a privilege to present a petition which I am told is signed by approximately 47,000 Calgarians with respect to reforming the Young Offenders Act.

• (1540)

The petition begins with a reference to the late Ryan Garrioch, an honours student of 13 who I understand was killed by a 15-year old fellow student in his school yard. The petition concludes that the Young Offenders Act should be replaced with a measure having a maximum age for young offenders of 13 years instead of 18 years as it is now.

In closing, this is the largest petition by far that I have ever had the honour to present. I should note the anguish of Ryan's parents, Stu and Marg Garrioch, when they came to Ottawa recently with this petition. It is an honour as a fellow Albertan to accept their invitation to present it today.

HIGH PARK PHARMACY POSTAL OUTLET

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36 I am tabling additional petitions to those already tabled from constituents living in the High Park area expressing their opposition to the closing of High Park Pharmacy postal outlet No. 166.

The petitioners state they are very satisfied with the service and the location of sub-post office No. 166 located in High Park Pharmacy. They call upon Parliament to urge the government to keep postal outlet No. 166 located in the High Park Pharmacy operating in its present state and location.

The users, by the thousands, are very pleased with this postal outlet and cannot understand why the government wants to close or move it.

[*Translation*]

VIOLENCE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I would like to table a petition from residents of Amos, Landrienne, Rivière-Héva, Saint-Mathieu and Val d'Or, in the riding of Abitibi, who say that films depicting violence on television are dangerous and therefore

unacceptable because they are conducive to greater violence.

The petition also says that all toys that incite children to play violent games are unacceptable and their manufacture should be banned. It is also pointed out that when reporting acts of violence, freedom of the press should be restricted, and that the repeated broadcasting of news about acts of violence on television, on all channels, and on radio may incite others to engage in similar acts of violence.

Therefore your petitioners humbly pray and call upon Parliament to pass the appropriate legislation in order to eliminate violence in our society and thus protect our children and give all citizens a better quality of life.

[*English*]

WATER EXPORTS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition on behalf of a number of constituents as well as a number of residents of the Salmon Arm, British Columbia area.

They point out their very grave concern in that they consider the North America free trade agreement is opening the door for the future sales of water from our rivers and lakes to the United States and northern Mexico. They point out that NAFTA does not have water as an exempt category as raw logs and unprocessed fish on the east coast are identified. They are asking that water be identified as an exempt category and simply that we should not sell our Canadian water to the United States or Mexico.

CHILD PORNOGRAPHY

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I have a group of three petitions all relating to the subject matter of child pornography.

The petitioners are from all over British Columbia but I specifically note the petitioners from my own riding. They are people from Port Moody, Port Coquitlam and Coquitlam, British Columbia. The petitioners ask that anyone selling materials relating to child pornography be held punishable by law.

I am pleased to table this group of petitions on behalf of these petitioners.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, the following questions will be answered today: Nos. 465 and 478.

[*Text*]

Question No. 465—**Mr. Dingwall:**

> From 1985 to the present, with respect to the Department of Supply and Services, how much did it spend on procurement in each province and territory?

Hon. Paul Dick (Minister of Supply and Services): The statistics in this report do not cover all goods and services purchased by the Government of Canada. Supply and Services Canada (SSC) procures only 55 per cent of the total goods and services bought by the federal government.

SSC neither awards contracts nor maintains contracting statistics on the basis of electoral or other boundaries. To produce the following listing, SSC sorted its procurement data base by postal code.

The statistics do not necessarily reflect the origin of the goods and services purchased. More often a contract is listed in the area where the contractor is located and does not reflect any subcontract work or other services carried out elsewhere. For example, fuel puchases from Esso are part of a total $249,678,000 government purchase from Esso Petroleum Canada through its office in Nepean, Ontario, but the fuel is not refined in Nepean. Nor does the oil come from Ontario. Nepean is a point of billing only.

Finally, many contracts are multi-year in nature and are accounted for only in the year of award (i.e. major Crown projects such as large shipbuilding contracts).

	Fiscal year 1991–92		Fiscal year 1990–91		Fiscal year 1989–90		Fiscal year 1988–89		Fiscal year 1987–88		Fiscal year 1986–87		Fiscal year 1985–86	
	No. of doc. *	Value of doc. $000	No. of doc. *	Value of doc. $000	No. of doc. *	Value of doc. $000	No. of doc. *	Value of doc. $000	No. of doc. *	Value of doc. $000	No. of doc. *	Value of doc. $000	No. of doc. *	Value of doc. $000
Atlantic Provinces														
Newfound-land	4,355	142,290	5,958	161,668	8,014	157,925	7,300	116,658	7,746	92,337	6,882	100,160	6,666	51,681
Prince Edward Island	945	14,723	1,452	18,004	1,798	23,940	1,833	19,026	2,136	14,110	2,077	10,667	1,391	13,373
Nova Scotia	17,021	493,418	21,340	429,095	28,178	366,429	26,785	439,681	25,713	416,605	25,166	370,568	24,987	301,755
New Brunswick	5,202	227,417	6,785	218,816	8,534	203,293	8,504	228,258	9,393	2,839,776	9,534	91,990	7,869	89,969
Quebec	28,316	1,425,769	37,483	1,522,862	45,792	1,488,218	47,120	1,305,560	49,462	1,618,065	47,960	2,594,354	50,193	1,415,542
Ontario	70,805	4,772,670	91,090	3,814,450	112,668	3,519,410	117,081	3,339,883	115,294	3,266,496	114,800	3,566,511	119,527	3,095,828
Prairie Provinces														
Manitoba	5,671	401,956	7,701	415,074	9,826	353,350	9,745	259,995	10,760	337,396	10,077	218,734	10,334	140,603
Saskatche-wan	2,391	78,983	3,822	89,888	4,735	84,944	4,412	68,522	4,482	67,641	5,141	81,111	6,104	74,368
Alberta	11,050	358,878	14,363	348,555	17,148	705,895	18,128	335,919	18,794	274,374	18,991	301,379	20,418	222,535
British Columbia	12,342	606,699	17,215	388,778	22,450	364,893	22,054	395,696	24,937	367,393	24,168	332,330	28,330	308,101
Yukon & Northwest Territories	835	35,785	1,296	81,637	1,430	28,177	1,522	25,065	1,427	134,560	1,504	21,726	1,701	19,686
Across Canada	98	11,433	119	88,407	353	80,898	225	67,172	54	143,327	18	423,713	43	104,445
Totals	159,031	8,570,021	208,624	7,577,234	260,926	7,377,372	264,709	6,601,435	270,198	9,572,080	266,318	8,113,243	277,563	5,837,886

* No. of contracts

Question No. 478—**Mr. Barrett:**

Since January 1, 1990, have there been any inquiries made of the government or any of its agencies, boards or Crown corporations regarding a possible sale, lease or other disposal of Royal Roads Military College, its lands or buildings and, if so, who made the inquiries and which departments did they contact?

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Since January 1, 1990 the Department of National Defence has received inquiries regarding a possible sale, lease or other disposal of Royal Roads Military College. However, according to the Privacy Act the names of persons who made these inquiries cannot be divulged to a third party.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The questions enumerated by the parliamentary secretary have been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, if Question No. 452 could be made an order for return, that return would be tabled immediately.

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

Some hon. members: Agreed.

[*Text*]

Question No. 452—**Mr. MacWilliam:**

With respect to the Canadian Armed Forces, (*a*) were any measures taken to promote attitudinal and behavioural change among male officers toward women, specifically with respect to issues of sexual harassment, gender inequities and violence against women and, if so, what are they (*b*) have any affirmative action programs been implemented and, if so, what are they?

Return tabled.

[*Translation*]

Mr. Langlois: Mr. Speaker, I ask that the remaining questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

TELECOMMUNICATIONS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Beatty that Bill C-62, an act respecting telecommunications, be read the second time and referred to a legislative committee in the Departmental envelope.

• (1545)

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to continue the remarks I began before Question Period.

The central point I was dealing with was the fact that Bill C-62 was putting forward policy objectives. Those objectives designed a telecommunications system and policy which asserted clearly that the national government's direction was going to be the overriding, ultimate authority for telecommunications policy in this country.

For the last seven or eight years this country has witnessed a government that year after year has worked against the principle it is enunciating today. Our national institutions, national programs and Crown corporations have served every region of our country, especially those regions that were very difficult to serve. We have had a total dismantling of many of those programs and institutions.

I have never hidden the fact that I am a strong centralist. I believe passionately in a strong national government. When I read the opening section of this bill, clause 7, I could not believe it. It read like Liberal policy. This is a government that has been advocating constitutional arrangements time after time. Just recently the referendum was on a document that promoted a massive decentralized system. When I read this bill and found it approached our Canadian telecommunications policy in a comprehensive way where the national government had clear-cut authority, I was very pleased.

I must say that I believe this is what Canadians want. When we get to committee if every aspect of this bill meets the test of supporting the over-all broad policy objectives then I think this bill will have little difficulty in getting through this House.

Another point I want to make about the bill and about which some people are concerned is that there is definite direction in this bill for the cabinet or the Governor in Council to intervene from time to time to give direction to the CRTC. I personally have no problem with that.

One of the problems this country has is that there are too many instances where the bureaucracy has more control or gives more direction to the agenda than the elected politicians. Ultimately we are the ones responsible for the laws of this land. We are the ones responsible for the decisions that are taken in every region of this country and at every level of a particular department. Therefore, if from time to time the Governor in Council has to intervene and give direction on a certain aspect of our Canadian telecommunications policy I have abso-

lutely no difficulty with this. It will be held accountable in this House of Commons or in committee if a decision is faulty. Ultimately it will be held accountable with the electorate.

I suppose the natural concern when dealing with an agency like the Canadian Radio-television and Telecommunications Commission is that we would be concerned about patronage opportunities. That type of accountability is the easiest to define and watch and thus cause the government to be answerable for its actions.

• (1550)

The other aspect of this bill that I thought I would touch on was clause 46. This is a very controversial clause and it is a very hot issue in my community and in urban areas right across the country. It has to deal with unsolicited telecommunications. "The commission" means the CRTC. Clause 46 reads:

> The Commission may, by order, prohibit or regulate the carriage of any class of unsolicited telecommunications on the telecommunications facilities of a Canadian carrier to the extent that the Commission considers it necessary to prevent undue inconvenience or nuisance, giving due regard to freedom of expression.

I have had personal experience with this particular aspect of the law referring to the automatic or assisted dialling systems that certain companies use in our community. They use them in terms of the telephone and they also use them in terms of the fax machines.

Mr. Speaker, I have to tell you and through you the House that I have used such a system myself. About a year ago I heard about this system. It was a new technology. I could have my voice on tape and could give it to someone who had most of the phone numbers in the community on a computer. The computer would be programmed in such a way that my message could be delivered repeatedly.

About a year ago I used this system to promote the single-tax debate. I believe that tax reform is a fundamental issue in this country that needs review. I could not touch everyone in my community directly and certainly not everyone in my city of 2.5 million people so I hired one of these automatic dialling companies and within a month I talked to over 500,000 people. I did not personally talk to them. The person would be sitting at home and the telephone would ring. They would pick it up and there would be a taped voice. I started off the conversation by saying: "Hello, I am Dennis Mills, the member of Parliament for Broadview—Greenwood. I would like to take a few seconds of your time to talk about tax reform. If you do not have the time all you have to do is hang up the phone".

Something that most people do not realize is that one is not forced to listen to the message. One is obviously forced to answer the phone if one is home, but if one is not interested in tax reform one just hangs up the phone and the message ceases.

I was able to communicate in about a 30-day period to about half a million people. I must say that I did get probably 10 to 15 complaints a day and people did say it was not a very polite way to communicate. However, I must say that I received at least 40, 50 or 60 phone calls a day from people who wanted more information and who wanted to get involved in the debate on tax reform.

I used it for only a month because I did feel there were aspects of it that were in poor taste but the idea of getting a very simple message to a number of people in a very short time is a very innovative technology.

I know there are police forces that use this automatic dialling service to give out emergency numbers and to warn people about crisis situations in their community. They will have all the numbers of a particular community on their computer and they will push the button and all of a sudden the police will communicate an emergency message to everyone in the community. That is a good use of the technology.

• (1555)

There are other times when it is in the public interest to use that technology. I think when we are examining this part of the bill that we are going to have to bring in some of the controversial people that have been cited for using this service. I think specifically in my city of the gentleman by the name of Marvin Fine who I am sure has caused a lot of fuss. I think he was the originator of this service and he has been using it for a lot of experimentation. I have told him directly that not all of his work is something that I agree with but he has used it for community work in a very effective way as well.

When we are analyzing this particular section of the act we have to be very careful how we define it and how we give regulation to it.

The same thing happens with fax machines. I have used the fax system myself to send out messages. Some days one gets people who thank you for the message. They like it. Then the next day one gets someone who will call in and say: "I want a cheque for 7 cents for the fact that you used my fax paper without seeking my permission". I know that clause 46 of this bill is a hotly contested part of the legislation.

The point is that the public at large has asked us to take a look at every aspect of the telecommunications policy in this country. The minister responsible for culture and communications has in fact taken up that challenge in this bill. Quite frankly, I think he has done a pretty good job.

My colleague from Mount Royal, our lead critic in this area, has said that in committee we will be rigorous in making sure that the policy objectives as stated in the preamble are followed through in the interpretive sections. We are totally supportive of those aspects of the bill where we encourage Canadian ownership. We are totally supportive of the aspects of the bill that encourage more research and development. We are totally supportive of the aspects of the bill that use the telecommunications industry to promote our sovereignty and give a sense of binding the regions and making sure that the rural regions have the same access for the same price as the major urban areas.

Over all, I am in support of this bill. I hope that the minister will be receptive to the amendments that once integrated into this bill will make it a piece of legislation that all of us in this House can be proud of. Ultimately it will be something that will enhance and support a sector of our economy, the telecommunications industry, which makes us the envy of the world.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I am pleased to speak on behalf of the New Democratic Party on this bill.

The member for Okanagan—Shuswap is our party's critic on this bill and will be speaking in the debate. I am the former critic of some time ago so I would like to speak on this. Some of the things I said when I was party critic now seem to me to be coming true.

The last member who spoke said that we in Canada are known for being one of the great countries in the world for telecommunications.

• (1600)

I could not agree more. Telecommunications and transportation is how we have created modern Canada. That is how we have created a modern, democratic and somewhat equitable Canada.

We are in the process of losing not only our lead in telecommunications but the old notion that we could have the best telephone service in the world for the average person. We had a regulated system that worked and now the government is changing this for ideological reasons. It is changing something that worked.

This bill reflects the Conservative government's insistence to deregulate and to privatize wherever conceivable. It is pure ideology and it is not the way to good government in my view.

While my colleagues and I have called for an updated telecommunications act to drive Canada into the 21st century, this is not the right vehicle. Make no mistake about it, this is a hugely important industry.

Canada's telecommunications industry generated $21 billion in revenue last year. It employs 125,000 people and it accounts for 8.6 per cent of our gross domestic product after inflation. It is currently governed by an antiquated act called the Railways Act. We govern our telecommunications by an act better attuned to railroads than to electronic superhighways, which we now have in Canada.

I will try to give an example of what I mean by the problem of deregulation, ideology and so on. I asked a question last year in the House of the present Minister of Communications. I was asking a question about Bell Telephone and about how the government had now allowed competition by Unitel and other companies with the telephone companies and the result of what that would mean to the phone service in Canada.

The Minister of Communications got up and said to quite a smiling House: "There is the NDP member defending the phone company. Wow, I have never seen anything like this". Everybody laughed, it was a great joke and so on. I thought at the time how little we have really thought through this matter.

The phone company, specifically Bell Telephone, is the largest company in Canada. Its real competition in North America is with American telecommunications where it is about eighth or ninth largest. That is where the real competition is.

Smart countries like Germany or Japan in their economic policies would start helping their major company. That would mean protecting their major company and not hurting it. The major company of Bell Telephone could in fact compete where it really competes. It could compete with strength in the North American market.

What does this government do? It deregulates in the local Canadian market. It allows competition in long distance calls. It forces the phone companies to compete and to lose money in putting up lower long distance rates and to become in many ways less competitive in the international scene where it really counts for Canada.

I ask the government to think a little bit ahead to the real competition. I find it ironic that it should have to come from an NDP member to tell the government what real competition means in the world. That is what it means.

We do not think this bill should be passed at second reading for a number of reasons. The first reason is simple. According to Beauchesne's *Parliamentary Rules and Forms* that you are an expert on, Mr. Speaker: "The second reading is the most important stage through which the bill is required to pass for its whole principle is then at issue and is affirmed or denied by a vote of the House".

Therefore this is a vote on the principle of this bill. However, according to the staff of the Minister of Communications, this bill will undergo substantial amendments during the committee stage. At one time the Department of Communications was asked to redraft the bill to take into account the substantial amendments recommended by the Senate Committee on Transport which engaged in a pre-study of this bill. It is clearly not correct for the House to pass a bill in principle which will be altered fundamentally at committee.

• (1605)

Government members may argue that the principle of the bill remains unchanged but this bill contains seven sweeping policy objectives. Changing any of these policy objectives in committee would undeniably alter the principle of the bill. Indeed we might not even be able to change them in committee, it would be out of order. The Senate committee recommended changes to these policy objectives. How can any members in this House pass legislation in principle when the true form of the legislation will not be clear until the amendments are made?

We have precedents for this. The gun bill, of which I was a member of the committee, had quite a bit of disagreement concerning the original draft. The minister sent it to the justice committee of the House of Commons, not the Senate, the real committee where the real people are, for study and when we reported back another bill was drafted. The procedure actually worked.

This is what the government should do here. It should not ask the House to send the bill to committee while at the same time telling the House it is going to make major changes in the committee. It is not the right parliamentary procedure and a proper opposition should not vote for a bill like that.

A second and more substantial reason why it should not be passed is clear to anybody who pays a phone bill in Canada. That is a lot of people. I am talking about what has happened to people's phone bills. Have you looked at yours recently, Mr. Speaker? Phone bills are going up, just like cable rates are going up. But wages are not going up. Cable rates and phone bills are sure going up and they are going up pretty fast and pretty substantially.

They are going up for a number of reasons. In June 1992 the CRTC, the Canadian Radio-Television and Telecommunications Commission which supposedly regulates phone and cable companies decided to open up the long distance market. It accepted Unitel's application and assertion that long distance will not cost consumers more.

Let me pause a little bit and discuss Unitel. Unitel is Mr. Rogers and the cable people. Mr. Rogers, when he is the cable industry, has a monopoly and he milks it for all it is worth in increases in cable fees. He takes the money from the protected monopoly and he cream skims that monopoly, the cable industry, then he goes to the CRTC and he cries like a baby saying:"Boy, these phone companies have a monopoly here. I should be allowed to compete". He called it a communist, Leninist, Stalinist system. He said that we have to have competition. Of course he had the communist, Stalinist, Leninist system in the cable industry with the lack of competition but that is okay. He cream skims that, puts the money into Unitel and then starts competing with the phone companies.

What is the problem with that? Whatever Mr. Rogers and his friends want to do is fine except when it starts hurting the average Canadian consumer. Not only do they put it to the average Canadian on cable rates, then they take all that money, go into the phone industry and compete in long distance rates. The result is as I predicted until I was blue in the face in this House, in committee, before the CRTC that it would force local rates up and here is why. We have a system in which long distance rates subsidize local rates. We have higher long distance rates and lower local rates.

There have been two recent studies. One study was in Europe by the European Consumers Association. Another study was by the Organization for Economic Co-operation and Development, the OECD, showing that Canada had lower rates.

We had a subsidy system and what happened? Who were the winners and losers? The people who made long distance calls had to pay a bit more, not a lot more because we are competitive according to the OECD but they had to pay a little more. Who are these people? You and I and the people who make the occasional long distance call, but by and large it is the big corporations who make the most long distance calls.

• (1610)

Who makes the local calls? It is the ordinary person. It is the local people and small business that make most of the local calls. Since we have had deregulation through the CRTC and through the ideological position of the government, we are now getting pressure to have higher local rates and lower long distance rates.

The phone companies say they cannot have lower long distance rates and still keep the same rates for our local calls. They have to survive somehow so they put up the local calls. Long distance calls come down, local calls go up. The winners are big companies; the losers are small businesses and individuals.

We told the CRTC until we were blue in the face and it still went ahead and did it. I challenge members of this House, both Liberals and Conservatives, to rebut this. Show me where competition has made the prices go down for the average person.

Bell Canada has applied to the CRTC for a rate increase. If its application is accepted, local rates will jump as much as 65 per cent. BC TEL in my neck of the woods in British Columbia has asked for substantial rate increases as well, not only in their local rates but in directory assistance charges and service calls. Alberta Government Telephone also applied for a 30 per cent increase in local rates. I could go right across the provinces—up local rates, down long distance rates.

I want to say something to the unions that were involved in this. I worked in the past with the TWU, the Telecommunications Workers Union from British Columbia with my friend Rodney Hiebert and the people at that union. I addressed them directly on this. I also addressed the CEP, formerly the Communications Workers Union of Canada, which is the Bell union based in eastern Canada. We worked together. We told these unions and they told us that this would happen, that local rates would go up, long distance rates would go down and the average consumer would lose out.

They tell me that there is a B.C. corporation—is it B.C. Rail—involved with Unitel. They wonder what an agent of the British Columbia government, which after all is a progressive government, is doing with Unitel. I wondered too, quite frankly. What is it doing with Unitel? It is going to force up local rates for ordinary people. There is no way out. If long distance rates are lowered local rates have to be raised or the phone companies will go out of business. It is hurting the average individual. We should not have allowed the competition in long distance rates. People say it is inevitable and it had to be done. Nothing is inevitable.

We have a system in Canada where 98 per cent of people use the phone. We have a system where we have equality, where people in the north have more or less the same prices as people in the other areas. We will have a future system where the beneficiaries will be some big businesses in the major cities. The people in the rural areas and in the north will be paying more money. I predict that is what is going to happen. It is going to be the same with long distance rates.

When are the Canadian people going to wake up? They have seen what deregulation of the airlines did. The post office was practically deregulated and we have seen what that has done. Now we have seen what deregulation of the telephone industry has done and that is going to mean higher prices for the average Joe. That is what it means.

I also see that according to the government's own report—I love the way this is put: "The annual rate due to such changes"—that is the rates going up—"could amount to a drop-off rate of 2,500 to 7,500 subscribers across Canada". A drop-off rate of course is a nice way of saying that your aunt cannot afford her phone any more. Ninety-two per cent of Canadians were satisfied with their service.

I do not know but maybe I am too much of a conservative. I guess that is my problem. I believe if something is working, if it is not broken, why fix it? Why fix it so Mr. Rogers and his big business associates who contribute to the Conservative Party in a big way get their share? That is what it is. Who suffers but the average Canadian consumer?

• (1615)

We are not going to let this bill go so easily to committee. People want to know. People come to me in Coquitlam, Port Coquitlam and Port Moody in my riding, to my friend from northern Ontario and my friend from Nanaimo and say: "Look at these bills. My cable rates are going up". I showed them how they could say no, that they did not have to take the cable rates, but Rogers was not going to tell them that. Their cable rates are going up.

Now they are coming to me and saying: "My phone rates are going up but my pay cheque is not going up, and I am paying more in taxes. What is going on?" I will tell you what is going on. It is a pay-off to the friends of the Conservatives in this place. They say it is globalization and so on.

There is another reason why this bill should not be allowed second reading and it has to do with the North American free trade agreement, NAFTA, the agreement that the government is about to enter into without any real support from the Canadian people. It is a very smart government, is it not? Basically the free trade agreement fails because we lose employment, so what does the government do? We will sign another one with Mexico. Now that takes real brains, but the government proposes to do it.

The North American free trade agreement will grant foreign companies access to or the use of Canadian telecommunications networks and services "on reasonable and non-discriminatory terms and conditions". That is the phrase, reasonable and non-discriminatory terms and conditions. When I see a phrase like that I worry. In other words, on terms and conditions no less favourable than those accorded to Canadian companies.

The chapter goes much further. It limits the terms and conditions that Canada will be able to impose in the future. Here is the kicker. Specifically legislators will be required to ensure that prices charged for telephone services are based on the economic costs directly related to providing such services. Although NAFTA would allow cross-subsidization between our existing telephone companies to continue, we will not be able to require resellers to make the contribution payments that are necessary to support universal service.

This bill does nothing to prevent the erosion of cross-subsidization. The bill actually encourages deregulation regardless of its effects on consumers and small businesses. In fact it takes us even further. We get into the free trade agreement which will make it impossible for any future government, any progressive government that may happen to be elected to make changes, any government that wants to come to the defence of the Canadian consumer.

We need a system where we pay attention to the universality in services. This is a big country and it is a northern country. That means we have to serve the people in northern and rural areas. They have to have communications. We have to keep the cost as low as possible.

We have to take our big companies like BC Tel and Bell and help them compete in the international scene where it really matters for Canada. That is the basis for a communications policy that is different than the policy of the government. That is why we in the New Democratic Party differ with the government on this bill.

I could go on and give other reasons why the bill should not go to committee but I have finished. I will close by making a plea on behalf of the poor consumers of Canada who are getting it put to them on cable rates and phone rates. I ask the government to please listen to their voices. Cut this ideology of deregulation and stop harming a very good phone system by this nonsense of

helping your friends in Unitel and the other places and putting it to the Canadian consumer.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I listened with a great deal of interest to my colleague from Port Moody—Coquitlam. He now has the pleasure of being the critic in matters of justice but he was the critic in telecommunications and culture prior to that. I know he has some very strong feelings about the role and place of cable and what we should be doing with respect to cable and the question of convergence with regard to cable and telephony. I am curious to know if he is satisfied with the covering of the concerns of the cable and telephone industries. Why does he consider this bill to be a total deregulation? I believe the most important aspect of this bill is to provide a universal, affordable and accessible telephone system for Canadians at the local level. Protection of that service is inherent and must be pursued. While we are interested in telecommunications as the most forward-moving technology for the pursuit of improved jobs and job creation, it is not at the cost in any way, shape or form of a universal, accessible and affordable telephone system for all Canadians.

• (1620)

If the hon. member thinks this is under threat and a total deregulation, I wonder if he would pursue that matter somewhat or clarify it at least.

Mr. Waddell: Mr. Speaker, I must acknowledge the expertise of my colleague, the member for Mount Royal who is the Liberal critic in this area and has consistently followed this issue in the committee. I pay tribute to her for that. She is a very keen observer of this area.

May I just take a moment in responding to this? The hon. member has difficulty with my riding. I used to represent the riding of Vancouver—Kingsway. Due to redistribution and the movement to the suburbs I now represent a riding called Port Moody—Coquitlam, which is an eastern suburb about 30 kilometres from Vancouver. It is snuggled up against the west coast mountains and is a very beautiful, booming and dynamic community. Port Moody was the terminus of the transcontinental railway where the first train came until, of course, the real estate developers thought they could make more money in Vancouver and moved the terminus into Vancouver, according to Pierre Burton. That is the riding, Port Moody—Coquitlam. Coquitlam means salmon in Indian. It is a very nice name. It is a very fast-growing area with lots of cable subscribers and lots of telephone users.

I too am committed, as I think the hon. member is committed, to an affordable system, universal and so on. In my speech I was pointing out the dangers. I pick up principles in this bill that extend and use the wording again of deregulation, of the kind of neo-conservative agenda of government. I think that is a real concern in communications. I think it will lead us in the wrong direction.

There is an area for competition in communications. There is also an area for working with our stronger companies and using regulation and sometimes restraint of trade to help them. I am thinking of Bell. I took a lot of flak by saying that in the House. I tried to explain it today on the basis of building up the strongest companies and then competing at the international level where the real competition is.

As I said, the hon. member is more of an expert than I am with regard to cable. I will listen carefully when she speaks further on this matter here and in committee. However, it seems to me that the wording of the bill and some of the phrases lead into this deregulation language. That again leads to the problems we had in communication, which can be specifically seen in how we have a system where cable is half regulated and other parts are not. There is an 8 per cent increase and then a 300 per cent increase in the area that is not regulated. The phone seems totally regulated, but there is a push to get more money for local services. It seems to me we are putting ourselves into that bind.

I think we have to look at the fundamental principles before we can vote on the principle of a telecommunications bill like this.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I wonder if I can just make a comment and then ask the member a quick question. Clause 7 of Bill C-62 states:

• (1625)

> It is hereby affirmed that telecommunications performs an essential role in the maintenance of Canada's identity and sovereignty and that the Canadian telecommunications policy has as its objectives

(a) to facilitate the orderly development in Canada of a telecommunications system that serves to safeguard, enrich and strengthen the cultural, social, political and economic fabric of Canada;

At the same time I look at the *Wall Street Journal* of Tuesday, February 9, 1993 and see the AT&T advertisement essentially saying that in 1993 the border between Canada and the U.S. will no longer be a barrier.

AT&T has purchased an operating interest in Unitel, the corporation directly responsible for the breakdown and deregulation within the telecommunications system. I wonder if the member would comment on whether he thinks this act protects Canada's identity and sovereignty. Will the culmination of the free trade agreement, the North America free trade agreement and this bill further erode the sovereignty in the areas of communications and transportation within Canada?

Mr. Waddell: The problem is that we will not be able to require resellers of services to make the contribution payments necessary to support the universal service, in other words to cross-subsidize the local rate. The resellers will be people like AT&T.

AT&T, American Telephone and Telegraph, the largest company in the world could swallow the Canadian market in a hiccup. Its advertisement in the *Wall Street Journal* said: "In 1993 this border will no longer be a barrier". In other words, these companies will be allowed to come into Canada under this legislation as resellers. They will not have to cross-subsidize the lower markets. This will erode the first principle of the bill the member read and will lead to increased foreign control of our Canadian market just as we are doing in the airline industry.

Soon we will not have the Canadian border at all. It will be gone and these large companies will come in. If we want to have an independent country we have to fight for it. If we want to continue to have legislation and deals like this we are going to lose this country. That is what we are saying and why we are opposing this bill.

The Acting Speaker (Mr. DeBlois): Before resuming debate it is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough—Veterans Affairs; the hon. member for Notre-Dame-de-Grâce—Montreal Economy; the hon. member for Don Valley East—Cyprus; the hon. member for Bonavista—Trinity-Conception—National Defence; the hon. member for London East—Municipal Taxation.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, it is a pleasure for me to participate in this debate on Bill C-62, an act respecting telecommunications. It addresses so many concerns and complaints I have been hearing at the constituency office, town hall meetings as recently as last week, and from just talking to businesses and individual residents within Parkdale—High Park.

The concerns that have been raised fall into about five categories which are CB radios, unscrupulous advertising between post office and Bell telephone, unscrupulous telemarketing techniques, the PC Cops computer automated dialing program, which I want to share with the House and junk mail.

I agree that this is a very important bill. The direct advertising industry employs 100,000 Canadians. There are a lot of jobs in the high tech area. It generates over $20 billion in revenues. It truly is the railway into the year 2000 and beyond. This bill will probably start laying the rails and the new super tracks for this direction.

• (1630)

Our critic for the Liberal Party stated the importance of this bill when she said: "Canada needs a harmonized set of rules and regulations to give all Canadians equal access to telecommunications and the information revolution". That sums up the importance of this bill.

Let us look at the process this bill has undergone. I recall when the former Minister of Finance addressed this issue in his 1984 budget. I am looking at the date by the table officers. It says April 19, 1993. Where have we been since 1984?

Other budgets have addressed this. Then the Minister of Communications introduced the bill on February 27, 1992. Today it is April 19, 1993. Where has the minister been for 14 months? For 14 months the bill has not been touched. I can lay it two to one that before the debate is over on this bill, the minister will probably bring in closure or time allocation limiting debate on this important and extensive bill.

Let me begin with the first set of concerns my constituents have been calling me about, which is the whole area of CB radios. When we were in government an owner of a CB radio had to buy a licence. It was registered so it was known who the owner of that radio was, the serial number of the CB radio, et cetera. Then the Conservative government came in and in its almost psychotic move to deregulate everything, deregulated the need for CB ownership and use. Now anyone can go into a store, a child of eight or nine or any person, purchase a CB radio and go on the air with no regulations and no holds barred.

I had a problem with two organizations competing for the same airwaves and running quite a feud over the airwaves so all the rest of the people could listen in. If it was just innocent listening I would not mind but there was a blockage of the airwaves. They would set screechy noises up to the radio microphone so no one could hear what the words were.

Then came the swearing and cursing. This was not language fit for the airwaves. I addressed this to the former Minister of Communications and the present minister. To date, nothing has been done. I must give some credit to the bureaucrats. They came to Parkdale and tried to bring some peace to the airwaves but they could not.

Then came the harassment of women. I thought I had heard everything, but I have never heard such foul language as I heard on the CB airwaves in my own riding. The foul language was harassing women. What some of these men on the radio waves did to debase women is not what I want in Canada. I see the minister shaking his head. That is not what he wants for Canada. We want standards in Canada for the telephone, the radio airwaves and in the press. This is why Canada was named the number one country by the United Nations last year. It is because we did have standards, whether those standards concerned TV, radio or telephone.

• (1635)

However, two ministers could not eliminate the kind of harassment some of the women in my riding of Parkdale—High Park are still putting up with. I am not pulling this out of the air. I asked people who were harassed to send me copies of the tapes. One person did. I shared some of those copies with our critic and then sent them directly to the minister.

This has been going on since I was re-elected in 1988. We cannot clean up the CB airwaves. What kind of a government are we? If we cannot clean up this kind of harassment of women in our society, we are not fit to govern. I hope the minister, who although he is not sitting in this House I am sure is watching this debate on TV, will take it to heart. Hopefully this bill will also assist in helping us to clean up the airwaves for the CB radios.

The second group of complaints I have been getting and which this bill addresses concerns the unscrupulous uses of advertising. I am not talking about the strict telemarketing techniques. I am talking about what is going on between a Crown corporation, Canada Post, and Bell Canada.

The postal person delivers flyers to people's homes. I am sure it does not happen only in my riding where unemployment is so high. It is the first time in history that the unemployment rate in a large city like Toronto is higher than the national average. It is heart-breaking to see these people, who have used up their unemployment insurance and do not want to go on welfare, come begging for jobs. They get a flyer delivered to the door and what does it read? "Employment opportunities. Make up to $500 a week, guaranteed $15 an hour". Who would not jump at that? If I were unemployed and using up my UI and did not want to go on welfare would I not read this flyer? Would I not do what this flyer instructs me to do?

What happens with this flyer that is delivered to our homes by the post office? Someone who is unemployed will pick up the phone and call, all excited because there is a job waiting, but it is a scam. By making that call the person has to pay $10 minimum. The person is unemployed and has used up his or her UI. Some are on welfare and some do not want to go on welfare. However, we get these jokers pulling a scam like this on hundreds and thousands of Canadians. Is that what Canada is all about? Are those the standards we want in our country? Is that what we are all about?

The scam is that $10 is paid but there is no job in the end. There is a special 1-900 phone number to call and they are asked to send a résumé. They send a résumé but they do not hear from these people. A whole year goes

by and still there is no job. It is a scam. I do not know what else to call it.

The poorest of this country's poor are being taken because of this government's psychosis to deregulate everything. "Private enterprise can do it all. Government has no role. It should not interfere." It is time that someone does interfere to clean up the mess the Tories have got this country into over the last nine years. I would hate to think what would happen to Canada if they were in government for another nine years.

• (1640)

I apologize for speaking with such strength and almost anger. When one sees how these people have been taken it does make one cry.

Let us look at the telemarketing advertising techniques themselves, which are increasing. Most of the complaints I receive are about these. The hon. member for Broadview—Greenwood admitted that he had used this technique himself to promote his single tax system. At least he was polite enough to tell the listener very early in the message: "If this message is not for you, please hang up".

It still does not stop the phone from being in use. Last week I had appointments in my constituency office. The other lines were busy but I thought the main line was open. I picked it up and there was a telemarketing message. I had to wait 10 minutes before I could use my own telephone. Because my telephone is controlled by the computer, it tied my constituency line up for 10 minutes. I really have a question of privilege because my duties as a member of Parliament were being denied. My carrying out my role and calling my constituents was hampered by this technique.

There is no need for that. CRTC can set a time limit on these messages. They do not have to be 10 minutes. They could be one-minute messages or maybe two minutes maximum. If you cannot say what you want to say in one minute then do not say it. We make a lot of statements before Question Period in this House of Commons and they are one-minute statements. I think we say quite a bit in that one minute.

One complaint I received from a constituent was that she was trying to get a doctor but could not because her phone was tied up with a telemarketing message. Someone complained because they could not get a 911 number during an emergency. Let us say there is an emergency and a child is suffocating or someone has a heart attack and minutes count. Seconds count. One cannot wait 10 minutes for that telemarketing message to finish before dialing 911 or phoning emergency.

Is that what we want in our country? Are those the standards we want? I say no. Then there are the complaints I get from the owners of cellular telephones. They are in the car and get a telemarketing message. They do not like it so they hang up but the message goes for 10 minutes. What do they pay for, one minute? No, they pay for 10 minutes. Is that fair?

I understand the bill is going to address some of these problems. If it does, I will support this bill. This bill can address a lot of the issues I am raising here. They are people issues. They are not fictitious issues. They are day-to-day people issues, issues affecting people daily.

That is why I am so pleased we have such a strong critic on our side. Any time I received one of these complaints and referred it to her she followed it up. I see a lot of those concerns brought in to the bill. Whatever the committee was doing or saying, I think someone has been listening.

Let me give an example of where this technology can be useful. I am not blocking modern technology or future technology, no. That is the route we have to go. I think that is where the jobs are for Canadians in the future. We should address this as a nation.

• (1645)

The problem with our education system is that it comes under the jurisdiction of the provinces, but who sets the direction for the country for the next 20 or 50 years? It should be the federal government laying out clear goals for the next 50 years. Then the provinces could build their curriculums based on these goals. Then we would have direction and would not be stuck with the 1.5 million jobless we have today.

I promised to give an example of how this technology can be used positively. The Metropolitan Toronto Police, No. 11 division is in my constituency and has introduced the PC Cops computer system. Groups such as the Neighbourhood Watch programs, the Sunnyside and the Swansea rate payer groups, High Park, Runnymede and Jane Street rate payers associations, Roncevalles, Bloor West Village, the Junction Business Association and the local *Villager* newspaper, all co-operated with the police on the PC Cops computer system.

This system asks people to register if they would like to be on this telemarketing system. It is a computer phone system. Everyone registered gets the messages. What kinds of messages are sent by computer? Messages if there is a missing child, if there is a break-in in the community, assaults. Everyone who is registered gets this call by computer. If there is any kind of criminal activity in the community, the whole community is notified and it does not take 10 minutes. The message is only one minute. If this bill were to do anything to limit telemarketing messages to one minute then it would be doing a great service. These messages go through in 60 seconds. The introduction by the Metropolitan Toronto Police of this PC Cops computer program is an excellent use of this modern technology.

I do want to raise the concerns of Robert Morie and Ed Radonic from my riding. They have small businesses and they say their businesses are being interrupted with junk mail. The fifth issue I said I get a lot of complaints about is the junk mail on the fax machine. It really affects a small business when the fax machine is tied up continually with junk mail. We get faxes in Ottawa but again it is appropriate use of the fax machine. In the morning I see piles of fax sheets all the way down to the floor but they are about the present crisis in the former Yugoslavia where people have relatives and friends. They fax me messages because they are concerned about their relatives. Again I am not knocking this modern high technology. I think it is good, but let us put it to positive use.

I am glad the minister came in to the House. I am sure he will take the concerns of my constituents in Parkdale—High Park and address them in the bill so we will have a good bill in the end.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the minister has been in the House to hear what the hon. member has had to say. My colleague always brings some very interesting and serious concerns to the attention of this House. He is obviously one who listens very carefully to his constituents.

I was quite interested in what he had to say about what seems to be a serious abuse of this new technology. I think it could work in a very positive way in the interests of the consumer and the business world. I do not think they are necessarily mutually exclusive goals. I do think there should be informed consent and he put it best by saying to put the names on a list, something of that nature.

• (1650)

I was intrigued while I was listening to the hon. member speak. I must say that some of the things he clarified in his presentation came as quite a surprise. I went back to see what the Privacy Commissioner had to say. He shares a lot of the hon. member's concerns, but he makes three fundamental points which are very important. I would hope the hon. member's constituents in terms of the concerns he has brought to my attention and to the attention of the people of Canada through his remarks today would find comfort in the observations of the Privacy Commissioner. Of course there has to be freedom of expression in this country. It is fundamental in the Canadian charter and is balanced by what is reasonable and justifiable in section 1.

The Privacy Commissioner said that the first ingredient would be that of informed consent. In other words, you know what you are asking for, you put your name on the list and therefore you agree that your name could be used. If you do not agree then they have no right to use it. The second was that it would not be costly. There would be a cost neutrality.

The hon. member talked about the fact that this was not cost neutral. It was an awful teasing. It was an unpleasant and unjust experience where people were looking for work and this fraud took place. There has to be some way in which it is cost neutral and we have a way of verifying what is the content in the message that is to go out. You cannot hide behind the fact that you do not know what the content is. I think that is the message the hon. member was giving. That would be found in the third agreement which the member says should be open and transparent.

I would like to ask my hon. colleague a question. If informed consent, cost neutrality and openness or transparency were in place, would the hon. member agree that this new technology could be in the interest not only of the telemarketer but the constituents who would want to use this new technology?

Mr. Flis: Mr. Speaker, that is exactly what we need. There will be many bills related to and affected by this bill. If all that is put into place as recommended by the Privacy Commissioner, it would go a long way in satisfying the concerns of my constituents.

I mentioned the PC Cops program. Everyone knows they are registered. The police asked for contributions but they also stressed very clearly that they do not have to make a contribution to participate in the program. A financial contribution would be appreciated but it is not required for participation.

Many of my constituents have difficulty with English as new Canadians. They will call and unknowingly they are charged the $10. The $10 is in fine print down at the bottom. They phone looking for a job and then they get a $10 bill because it is hidden in small print. My constituents would certainly be very pleased if as our critic said these issues could be guaranteed.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am pleased to be given the opportunity to address this particular piece of legislation. Most Canadians who have been listening to my colleagues will by now have no doubt noted that this is a major piece of legislation. We are talking about an electronic railroad, something of which Canadians can be very proud in the future.

We are talking about a major industry. Over 100,000 individuals are affected in terms of jobs by the communications industry and there are over $20 billion of expenditures. It is really what one could consider a strategic industry for the future, for Canada, for Canadians. It will have good jobs, I hope long-term, well remunerated positions for young people and those who want to change employment.

I say that because I think it is particularly important we take the time to discuss this thoroughly. As I indicated it is a major piece of legislation.

[*Translation*]

This bill is very important in several ways. It is not only about the future but about good, well-paid, long-term jobs.

• (1655)

This is something that should be considered very seriously and carefully.

[*English*]

Some people are going to be asking why though. If my information is correct this was introduced over a year ago. It appears to have been stalled in terms of going to the legislative committee for some time. Why is there a big rush at this particular point in time? I mean people will be asking the inevitable question: Was government not thinking this through? Did it not plan appropriately? I suppose some will say that there does not appear to be any particular *raison d'être, planification, rationalisation.* Why the rush at this particular point in time?

There are some positive features in this bill that my colleagues have spoken about in an attempt to come to grips with a major industry in Canada, something that is growing and something that is here today and has been with us for some time but opens tremendous opportunities for the future.

Some concerns have been voiced. For example, I have received calls and correspondence from individuals who have wondered and have asked whether or not the local rates would in fact be affected as a result of the legislation. Will they increase and, if so, by how much? I have received some calls from seniors. These individuals sometimes want to use the telephone rather extensively because of limited mobility and what have you. I also received some from poor families, people who already have a great deal of difficulty meeting their objective to meet the daily needs of their families with their meagre resources.

Of course among those poor are single parent families most often headed by mothers. If local rates are going to be affected, if they are going to increase, if there are going to be substantial increases, we really need to be particularly concerned. I have assured them that I believe this is not necessarily the case. I hope what I have said is in fact correct. I certainly would like to have some confirmation of it.

Some other individuals have asked whether or not this is in fact a bargaining chip being used by the government in terms of its North American free trade agreement. Just to make sure that I reflect their views correctly, I want to quote what was said to me. They believe that this bill would lead to the selling off of our telecommunications industry and of course the loss of Canadian jobs, particularly today when we are in a recession and there are many people unemployed, well over 1.6 million people. There are great difficulties being experienced by Canadians who want to work. This is of great concern to those particular individuals, not only those who are unemployed but those who still have jobs and really want to be able to maintain them.

There again I would hope that this is not—and I believe it is not; if I am wrong I hope someone will correct me—an attempt to take the first step toward making sure that Americans can buy into this particular industry which I consider very Canadian. We happen to be in the forefront. We happen to be world leaders and I want us to stay there. I want to make sure that whatever progress is made can be made in co-operation with other countries, that we retain the leadership and that we continue to make the discoveries that are going to benefit Canada and Canadians generally.

[*Translation*]

As I just said, there is opposition from some people, and I mentioned two areas. Some people believe that residential telephone rates might go up. Of course there are those who wonder if this would lead to the selling off of our telecommunications industry or if the government as a result of a risky involvement with the United States might lose control of an industry which is perceived as "belonging" to Canada.

[*English*]

One thing these people have asked is: "What are you people going to be doing with this bill? Will you be supporting it?" Yes, we will, providing certain conditions are met. I just want to share with my colleagues and people who may be listening some of the concerns and some of the things we want.

Liberals continue to believe in a strong Canadian telecommunications system that provides universal, affordable, reliable and modern basic telephone service for Canadians from coast to coast. This is particularly important in a large country such as ours where often there are small communities isolated from larger centres and where there is a need to communicate.

• (1700)

As a result of our desire for this type of system, my colleagues in the Liberal Party and I agree that complete deregulation of this sector is not really in the public interest.

We also agree that Canada must have a regulatory system that meets Canadian goals. I think that is very important. It must meet Canadian goals and should not be weakened through either the North American free trade talks or the GATT talks. I think that is of exceptional importance. We can still be involved with NAFTA if that is to be the case and with GATT, but we need to make sure that whatever happens we protect our own particular interests.

My colleagues and I also believe that this bill should provide a fresh direction for the telecommunications sector so it can maximize the benefits to every Canadian of the world-wide information revolution in terms of learning, literacy, education, training and communicating.

Let me just very quickly dwell on a few of the problems that have been brought to my attention. Some people would suggest that there needs to be some major changes. There are problems with the definitions clause, clause 2, for example how hybrid companies will be dealt with. On the power of direction, the government did establish power of direction. However it has also maintained the power to vary or rescind CRTC decisions at the same time which mitigates against that.

There are also concerns with respect to exemptions. For example, some of my colleagues and I are not convinced that exemptions for certain classes of carriers should be in the bill itself. As well the vary or rescind power by Governor in Council should be replaced we believe by the set aside or refer back power now in use. We believe this latter alternative is superior.

As well there are concerns about provincial consultation, tactical standards, ministerial authority to grant licences to carriers, and those are but some of the examples. I should point out that there are also no provisions in this bill for Canadian ownership and control of our telecommunications system. Although I understand there may be an ideological difference between the government and this party over that, there ought to be provisions for Canadian ownership and control of our telecommunications system.

I want to make the following point which I consider equally important. As this legislation proceeds I shall and so will my colleagues be working with colleagues from all parties for changes in the bill to ensure we maintain a telecommunications system which is Canadian owned, which enhances the international competitiveness of Canadian industry and which serves as a unifying communications link among all Canadians at this difficult time in our history. As I indicated before, I want to stress that while there are a number of positive features in this bill there are a number of opportunities to improve it. I do not pretend I have identified all the major concerns, but certainly if one looks at my remarks and the remarks of my colleagues that have been made in this House I think we can have a better final product.

[*Translation*]

As I just said, the government has taken some positive steps in certain sectors, but there are still some flaws that should be corrected. I would really like the minister and his government to listen not only to what I am saying but to what all of us have said in order to try if possible to correct, the situation, to be more responsive to Canadians' needs to ensure that it remains our system, that we can improve it, that we will keep the best jobs for Canadians and that we can remain leaders in this critical sector for Canada's future.

[*English*]

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, in speaking to Bill C-62 I should point out that part of the problem those of us in my party are having with this bill is that the minister in his remarks this morning made it very clear that the bill is going to need substantial changes. Yet it is difficult for us to be able to determine whether at second reading stage this bill should be allowed to go forward as is with the idea that there will be other perhaps substantial and substantive changes in the direction of the bill without knowing ahead of time exactly what those are.

• (1705)

I have a question for the House and for the minister. If there are substantial and perhaps substantive changes to be made to this bill it might make more sense to simply withdraw Bill C-62 or leave it where it is until the time comes when the bill can in fact be set out to the House in the terms and direction in which the government wishes to take the bill.

It would certainly be handy from our point of view, if there have been substantial changes already drafted, to be able to look at some of those changes with respect to the bill before us. I say to the minister through you, Mr. Speaker, that I think it would be of assistance to those of us on this side of the House to know the direction in which it is going. Perhaps if there are going to be substantial changes the minister might want to consider at this stage withdrawing the bill and putting forth the bill as it will ultimately be put forward.

In speaking directly on the bill I would like to refer to clause 7 of the bill. For the purposes of those watching the debate and for the purposes of those who will perhaps want to look at *Hansard* as bedtime reading in the future I would like to read clause 7 and make comments on it. It is the Canadian telecommunications policy and objectives.

> It is hereby affirmed that telecommunications performs an essential role in the maintenance of Canada's identity and sovereignty in that the Canadian telecommunications policy has as its objectives
>
> (a) to facilitate the orderly development in Canada of a telecommunications system that serves to safeguard, enrich and strengthen the cultural, social, political and economic fabric of Canada;
>
> (b) to render reliable and affordable telecommunications services of high quality accessible in both urban and rural areas in all regions of Canada;
>
> (c) to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications;
>
> (d) to promote the ownership and control of Canadian carriers by Canadians;
>
> (e) to promote the use of Canadian transmission facilities for telecommunications within Canada and between Canada and points outside Canada;
>
> (f) to foster increased reliance on market forces for the provision of telecommunications services;
>
> (g) to stimulate research and development in Canada in the field of telecommunications and to encourage innovation in the provision of telecommunications services; and
>
> (h) to respond to the economic and social requirements of users of telecommunications services, including the protection of the privacy of individuals.

With the advance of technology, particularly transportation and communications technology, it is essential that we have an updated and upgraded telecommunications bill. We must have a bill that looks at what is in the present, learning from mistakes of the past, but with a view to the projections of what will or might occur in the future.

Certainly from the perspective of one who is not well versed in telecommunications matters, but like everybody else in Canada is well aware of how telecommunications has weaselled its way into our everyday living, the Canadian telecommunications policy appears to be a policy set out that can well do the job if in fact we set out our policies and our legislation as laid out in those eight particular subsections that I have read into the record.

• (1710)

Let us just analyse what has happened in Canada and what is happening at present. We can perhaps have a projection of what probably, as a result of the past and the present, will happen in the future.

Look at the policies of this government and the policies as set out in Bill C–62 coupled with the policies that it set out in the past through the free trade agreement and the North American free trade agreement. Are these going to safeguard, enrich and strengthen the cultural, social, political and economic fabric of Canada?

If we look at the direction that has been taken I question whether the sovereignty of our communications systems is being protected. Look at the over–all pattern of deregulation that has been a trademark of this government for the past eight and a half years in the transportation system and the privatization of such things as Canada Post. Have we protected our sovereignty within these areas? Have we enriched our social, cultural and political fabric?

I would suggest that we have not. If we look at the bill and at what is happening within the North American free trade agreement, then it appears that NAFTA would grant foreign companies access to or use of the Canadian telecommunications network and services on "reasonable and non–discriminatory terms and conditions". In other words, this would be on terms and conditions no less favourable than those accorded to the Canadian companies.

I look with some concern over the bid and I have spoken on this before. I have presented petitions on behalf of hundreds of constituents within my riding on the successful bid of Unitel to enter into the long distance market essentially on the backs of companies that developed and cross–subsidized local rates within the telephone network.

Here is what happened with Unitel. AT&T, the giant telecommunications network, has purchased a 20 per cent interest in Unitel and is using it as a method of getting into the Canadian telecommunications network.

This is of some concern to me. The bill itself protects Canadian companies in the situation where it will only allow 20 per cent of the telephone company to be owned by a non–Canadian or foreign company. That is positive. However, if we look at the advertisement of AT&T, it appears to show us that it considers this as a method of breaking down the border between the two countries. In fact, it is their first foot in the door. Their excess capacity in a corporation of that size is so substantial that it could swallow up the whole system within Canada without blinking an eye or without having to swallow particularly hard.

• (1715)

Let us look at clause 7 where it says:

> to render reliable and affordable telecommunications services of high quality accessible in both urban and rural areas

This brings up the problem of what has been called, within the area, cross–subsidization. It is the provision that allowed companies to use increased long distance rates in order to subsidize and ensure that regional disparities, where it cost more to take telephone lines into a rural area, are made reasonable so that everybody within that area has telephone service available to them. This included companies such as BC Tel in my home province, Alberta Government Telephone in Alberta, Bell Telephone in Ontario and in some of the other provinces as well as Sask Tel in Saskatchewan.

However, it also deals with local rates for basic telephone service. My colleague from Kamloops pointed out what was occurring in his area with respect to telephone rates. He pointed out in his speech a number of cities within the United States where there has been deregulation and what the local rates are there.

If one recalls, the rates varied from something like $26 up to $47 in various parts of the United States for local telephone rates. However, in most areas in British Columbia the local telephone rates are anywhere in the area from $11 to $14 or $15.

It is interesting that this debate should come up at this time because on April 12 I received a letter dated April 1, 1993 from the BC Tel Company signed by E.L. Patterson, the executive vice-president and chief operating officer. In the first paragraph he said: "Today BC Tel announced its intention to file an application with the CRTC early this summer for a general rate increase. We also applied today for interim local rate increases. The proposed interim rate increases range from $4.05 to $4.15 for residential customers and $3.05 to $4.15 for business customers".

During the debates and in the petitions that I presented to the House and that others in my party presented to the House, we constantly reminded the government of some of the experiences in the United States with deregulation within the communications networks down there and the probability that there would be a loss of jobs as well as increased local rates for telephone users.

If I go on with this letter from Mr. Patterson, I would quote two paragraphs within the body of that letter. He points out: "Historically telecommunications in Canada has been regulated by social rather than economic policy considerations. Local rates have been subsidized by long distance revenues in order to provide universal access to the telephone. In fact BC Tel cross-subsidizes local service with 60 cents of every dollar of long distance revenue. To achieve this subsidy the price of long distance service has been kept artificially high.

With the introduction of long distance competition this historical balance has been changed. Competition brings many benefits to customers. However, as competitors claim an increased market share, the subsidy available for basic service diminishes. While some competitors are required to contribute to local service, their contribution is significantly less than BC Tel. As well, few people realize that BC Tel is currently required to subsidize our competitors' entry into the market; competitors which now include AT&T, the world's largest telecommunications company".

• (1720)

If I go on and look at that one side it is obvious that the rates of local service are going up, as we predicted. If we look at one of the government's studies we can also see that there will be rate increases not only to consumers but to small businesses as well.

A briefing document from the Department of Communications discusses the effects of long distance competition. It says that the competition will require gradual decreases and cross-subsidization and therefore increased rates. This will hit residential and small business users hardest while big business users will benefit.

In the same briefing document the Department of Communications quotes a Peat Marwick study which suggested that local rate increases over five years of between 13 per cent and 93 per cent would be required. This would represent 2 per cent to 12 per cent per annum. It is interesting to note that this government document also mentions a drop-off rate and states that the annual drop-off rate due to such changes could amount to 2,500 to 7,500 subscribers across Canada.

What is a drop-off rate? It is simply a nice way to tell Canadians that this is the number of people who are no longer able to afford to have a telephone in their own home.

It seems that the affordability that is looked for in this legislation is slowly slipping away from not only the regular consumer but from the small business person who will have added costs as a result of this.

From the point of view of employment it is interesting that on April 16 Brian Canfield, the president of BC Tel, announced that the company is working to reduce its staff size by 4 per cent this year. It has already seen 422 employees accept volunteer separation packages.

In a news release Mr. Canfield said: "The entry into the Canadian market of the U.S. phone giant AT&T, which bought 20 per cent of Unitel after the CRTC last year approved Unitel's entry into the long distance field, added weight to BC Tel's argument that inflated long distance rates should not be used to subsidize artificially low local rates. It is ludicrous that BC Tel should be put

in a position where we must indirectly subsidize AT&T, the world's largest telecommunications company".

It appears that what is happening with the direction of telecommunications legislation and the telecommunications network in Canada is that it is becoming less affordable for Canadians and we are losing jobs as a result of the policies that have been set out. I hope the direction the government chooses shores up some of what has already been lost in ensuring that Canadians are granted sovereignty over their telecommunications systems and that Canadians are assured of affordable telephone and telecommunications systems within Canada.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I have listened with some interest to the member's speech. One of the areas of concern that he has flagged is the situation as it relates to how employees of the different companies that are involved in telecommunications will be treated under the new legislation.

I am very interested in knowing from the member and his party how they feel this particular piece of legislation will adversely affect the working men and women who are involved in the telecommunications field.

• (1725)

In looking at the bill it seems to me that what we are doing is standardizing regulations in a broader sense. Instead of having all these different provinces being able to do their own thing they will have more consultation with the federal government and have a system that goes across the board. It is hoped that in the long term, it may not be so obvious in the short term, this will put in work rules for individuals across the board and give them the opportunity to be heard, and of course at the same time give them the kind of work rules we would like for our workers in Canada.

Being one of those people who advocates national standards and national rules, and I had assumed that the member who just spoke and his party felt the same way, I would be interested in knowing why the hon. member's party seems to think that this would be a step backward for workers in this particular industry instead of a step forward, as I think it is.

Mr. Whittaker: Mr. Speaker, it is interesting to look at the bill itself. I think the remarks I made at the start of my speech made it very clear that the direction in which the government wants to go is so foggy that we cannot actually see where we are ultimately going to be as a result of the legislation.

I made suggestions that perhaps, as was done with the UI bill, this bill should simply be allowed to die. The direction the government wants to go should be put into a bill to give us some direction as to where it intends to take us in this legislation.

I agree with the member who posed the question that changes must be made in the legislation. There is no doubt about that. We are now in a situation where things have changed so substantially just within our lifetime that it is not good enough to try to depend on old legislation that is out of sync with what is happening nowadays.

If we look specifically at the regulation of the industry we can see that this legislation appears to be dumping off some of the responsibilities we have given to the CRTC in the past back into the political field. Every decision the CRTC will make from now on will be diminished with respect to regulation.

I am somewhat sceptical about whether it will help or hinder the proper regulation across Canada if we have constant interference of the politicians within the system as opposed to regulation by the CRTC.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, in his remarks the hon. member for Okanagan—Similkameen—Merritt spent some time discussing the problems that some of the provincial telephone companies are having with government legislation relating to the forced integration of those companies' infrastructures into national services provided by competition from outside and inside the country.

We have a government that is very taken with maintaining the right to intellectual property under the GATT and has provided legislative changes in this Chamber up to and including extensions to copyright and patent legislation and eliminating our licence system for patented drugs. Can the member enlighten us as to why the government is pursuing that range of proposals securing the right to property and to systems that are in existence yet is attempting to create competition through the imposition of AT&T and Intertel, et cetera, on the provincial telephone systems? They are in effect being told to permit these people to use part of their lines and

systems so that people can rent their long distance charges.

• (1730)

Why does the member suppose the government has fallen off its very clear ownership set of principles in this case? Does it simply hate government-owned and provincially owned monopolies so badly that it is willing to close its eyes to that principle?

Mr. Whittaker: Mr. Speaker, I think it is a very interesting question. One has to wonder whether the member did not give the answer himself in posing the question in that what we have seen over the past eight and a half years has been a government interested in privatizing everything, whether it be Canada Post, Petro-Canada, Air Canada or almost anything we want to name. It has tried to take away and denationalize everything and put it out into the private sector.

Dealing with intellectual property, it seems that the agenda has been somewhat controlled by large transnational corporations such as AT&T. Is this another situation like that of the drug patent bill where the large transnational drug corporations wanted to ensure and assure their profits for a longer period of time. Similarly, do the AT&Ts of the telecommunications world want to get their fingers on to a pulse which they see as being more lucrative and more profitable?

I would suggest to the member for Mackenzie that this is a projection of the policies we have seen of this government to break the backs of the small Canadian companies and allow the AT&Ts of this world ample access to the telecommunications network of Canada, including the research and development aspect of it.

[*Translation*]

Mrs. Nicole Roy-Arcelin (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I want to tell you first of all that I will share my time with the hon. member for York—Simcoe.

Canada's history illustrates the importance of communications as a means and condition for the nation's economic, social and cultural development. In fact, telecommunications is the first Canadian high-technology industry and provides an essential infrastructure for the economic development of the country.

Canada now has three main communications systems, those of Stentor, Unitel and Telesat Canada; two mobile cellular telephone systems; one overseas telecommunications system, Teleglobe Canada; 49 other telephone companies, located mainly in Quebec and Ontario; about 200 radio communication companies providing mobile radio-telephone and paging services; and finally more than 22 companies specializing in the resale of services.

The whole industry—that is, the above companies as well as the equipment manufacturers—does $23 billion of business and employs over 100,000 people and is one of the fastest growing sectors of the Canadian economy. More than 98 per cent of Canadian households have a telephone and public surveys invariably show satisfaction with the quality of service. The telecommunications industry has grown essentially in a monopolistic framework. The telecommunications company had a monopoly and provided all the facilities, services and equipment, from sophisticated transmission and switching facilities which were the very base of its system to the ordinary residential or business telephone set.

However, regulation by the various governments was extremely fragmented. It was based on a series of different regimes involving only one level of government: seven provinces regulated 30 per cent of the Canadian market, while the federal agency regulated the rest. Thus major interprovincial trade barriers made the Canadian market smaller and more fragmented than it should have been.

• (1735)

A decision of the Supreme Court of Canada in August 1989 clarified and simplified the sharing of jurisdiction. The court concluded that the main telecommunications companies in Canada, namely telephone companies in the Stentor system, come under federal jurisdiction. This ruling thus paved the way to an open Canadian market.

In the past few years, we saw the emergence of a very complex technological and economic environment contributing to the gradual elimination of traditional boundaries between telecommunications markets thus calling into question the traditional monopolistic approach.

The diversity within the Canadian telecommunications market, together with the requirements of globalization and stiffening international competition, made inevitable a re-evaluation of government policy and regulatory practices.

I would first like to say that the present world trend in telecommunications is toward gradual liberalization of market regulation and privatization of state owned telecommunications companies.

In keeping with this trend and given the small size of our domestic market compared to the markets of our main trading partners and the complex fragmented regulatory structure, the Canadian government thought that the country needed a policy that could apply to the whole territory and a more flexible regulatory regime that could encourage innovation and the faster development of our leading high-tech industry.

The foundation of this policy was laid in 1987 and is the framework for Bill C-62.

The CRTC's recent decision to allow competition in the long-distance market makes new telecommunications legislation even more necessary.

[*English*]

In conclusion, pursuant to Standing Order 26(1) I move:

> That the House continue to sit beyond the normal hour of adjournment for the purpose of continuing consideration of Bill C-62, an act respecting telecommunications.

Mr. John E. Cole (York—Simcoe): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C-62 at second reading.

Canada today faces many great challenges. Technology and global economic forces are exerting a pervasive influence on all aspects of our lives. They are changing the nature of the goods and services we produce and the markets in which they are sold.

Globalization is also affecting the kind of jobs we have and the way we make a living. To an increasing degree the goods and services we produce are exported and the companies and workers we compete with are in foreign countries. These global economic and technological forces are making every country look more to trade for economic growth and the creation of new sources of wealth and jobs.

We can no longer afford to depend solely on our resource industries to carve out a place for ourselves in the new world economy. In the decades ahead we will have to depend on our educational institutions, our highly skilled work force, our creativity and our ability to innovate to ensure that we continue to grow and prosper.

Telecommunications now plays a central role in many of these global economic and technological developments. We cannot hope to compete in the world information economy of the nineties and beyond without a strong telecommunications industry and a modern and efficient telecommunications infrastructure.

A critical step in this process is to update our outmoded telecommunications legislation and streamline the regulatory and policy making processes. The Railway Act, the principal statute by which the telecommunications industry is currently regulated, was enacted some 84 years ago in 1908 long before the computer, the microchip, the satellite, the optical fibre or the laser were invented. This gives you an idea why Bill C-62 is so important to all Canadians.

• (1740)

Bill C-62 provides a comprehensive legislative and regulatory framework for telecommunications that will ensure Canada keeps abreast of improvements in productivity and industrial competitiveness in the future.

This legislation will provide the industry with a more modern and efficient regulatory process by establishing a single, national legislative framework. The bill will streamline the regulatory process by giving the CRTC an important new tool, the power to forbear from regulating services which are subject to fair and equitable competition and is in the public interest. It will also provide a power to issue directions to the CRTC on general policy matters to support and enhance the principles laid out in the telecommunications policy objectives.

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member. I apologize because I did not understand the motion tabled by the hon. member for Ahuntsic. It is moved by the hon. member for Ahuntsic that pursuant to Standing Order 26(1), the House continue to sit beyond the normal hour of adjournment for the purpose of continuing consideration of Bill C-62, an act respecting telecommunications.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): Will those members who object to the motion please rise in their places.

And fewer than 15 members having risen:

The Acting Speaker (Mr. DeBlois): As fewer than 15 members have risen in objection to the motion, pursuant to Standing Order 26(1) the motion is adopted.

Motion agreed to.

Mr. Cole: Mr. Speaker, as I was saying, this bill will provide power to issue directions to the CRTC on general policy matters to support and enhance the principles laid out in the telecommunications policy objectives. The bill will also empower the Governor in Council to review, vary or rescind CRTC decisions as is presently the case. It will safeguard Canadian ownership of one of our most important industries.

Finally, it will provide for the establishment of technical standards for telecommunications facilities and require the CRTC to give effect to such standards. I just want to comment that Bill C–62 is important legislation that enjoys strong and far–reaching support from both the industry players and consumers. It has implications for the competitiveness of our companies and industries as well as for job creation and economic renewal. I would urge all members in the House to give it most serious consideration.

While I am on my feet I would like to move:

That the question be now put.

The Acting Speaker (Mr. DeBlois): The motion is in order.

• (1745)

Mrs. Diane Marleau (Sudbury): Mr. Speaker, it is always a pleasure to rise on behalf of my constituents in Sudbury to discuss proposed legislation and to scrutinize it on behalf of all Canadians.

Bill C–62 is an important bill. New telecommunications legislation is absolutely essential and has been needed for some time. It is also extremely important this legislation be done right because it has taken a very long time for it to come forward. We certainly do not want it to be handled in a willy–nilly fashion in order to push it through this place without it being appropriate.

As the 21st century approaches, Canadians find themselves in a world changing more rapidly than ever before. Global competition is upon us. We realize that successful nations in the years ahead will be those that understand and take advantage of the changes taking place.

The rapid growth of international trade and capital flows have created the so–called borderless world and Canada must find ways to ensure it is a winner in this new global economy. For this reason we on this side of the House will continue pursuing policies of reform here at home, reforms that will make Canada stronger, more united, and more competitive around the world.

The changes in the world economy are nowhere better reflected than in today's changing telecommunications industry. Global networks and players are changing the telecommunications universe and reinforcing the idea of a global village. If communications created the global village then telecommunications today is shrinking the global village.

Not only is this industry's own structure evolving, it is also playing many new roles. New technology, new protocols and new services are letting individuals and corporations use telecommunications services more and more often, whether it is a fax machine, automated bank teller, toll free phone call or computer sharing information on a network. Small, medium and large corporations use telecommunications to link offices, reach customers, and move billions of dollars of capital around the world daily on an instantaneous basis.

In short the age of our telecommunications system serving for simple phone calls is over. It has become an important building block in Canada's competitiveness and the unifying communications link among Canadians from coast to coast to coast.

The telecommunications sector is an essential tool for building vital economic and social links, marshalling industry, social, educational and cultural forces into an efficient national system of communication among Canadians of all regions.

Telecommunications can boost the competitive position of industries in all regions by making it possible to locate knowledge-intensive and service sector enterprises of the future in all parts of Canada. It is especially important in a country such as ours which is far-flung. Some communities are looking for ways of participating in the 21st century.

Let us look at what we are seeing today in Bill C-62. It appears as if the minister would like the House to deal swiftly with the bill which he introduced over a year ago on February 27, 1992 and which he is only at this time advancing for second reading.

We in the Liberal Party have supported this bill going to committee but we said at the outset we wanted assurances that the minister planned changes to the bill as virtually everyone in the telecommunications industry has said are necessary. Until today and for 14 months that has not been forthcoming.

I wonder why the minister has not made some amendments to this bill. We are all very much aware they are needed, as is everyone in the industry. I have very little understanding why absolutely no changes were made to this proposed legislation.

We have some serious problems with the fact that the minister and his government have delayed this bill, not the opposition. The minister has had the tools at his disposal for over a year to build a national consensus on this bill and he has not done it.

• (1750)

The minister has had a very useful senate pre-study report in his hands since June 1992 and has failed to act on it. The minister has failed after 14 months to undertake a serious constructive effort that would have built a consensus on this bill and enabled it to come forward in a way that would have been good for the telecommunications industry, Canadian business and Canadians. That is how I see this process.

It should be a constructive open process and not one of delay. I want the record to clearly show that the government controls the agenda in this House. The opposition does not. Let the responsibility for this bill languishing on the back burner be on the minister's shoulders.

I certainly hope we do not start hearing outside this place that somehow the opposition has been responsible for the mishandling and delay of this bill. The minister was unwilling to bring it forward. I want that to be absolutely clear.

We take telecommunications issues just as seriously as we do the parliamentary process. We are not a rubber stamp here to approve a flawed bill. It is not the opposition but the minister who is responsible for coming in at the eleventh hour with his bill asking us to trust him on the amendments. It becomes very difficult for anyone to support a bill going to committee when the minister himself raises questions about it.

Having said that, we put the interests of Canada above the minister's messy handling of this bill and we want it to go to committee. Why is this bill important?

Let me address for a moment why this bill is important. Telecommunications is Canada's electronic railroad for the 1990s. It employs more than 100,000 Canadians and generates over $20 billion in revenues. It has emerged as an important and strategic industry for our entire economy.

The bill can help us create the knowledge and intensive high technology jobs of the future. It can help Canada locate these jobs where people are, which is often outside traditional business centres and particularly in our regions.

All this cannot happen by itself. As an industry that remains highly regulated, the telecommunications sector requires the appropriate policy, legislative and regulatory environment in which to succeed. This is why Bill C-62 with proper amendments and improvements is a fundamentally important bill. It is also why we are so disappointed that it took nine years for the government to produce this bill and almost another full year before getting to second reading.

These delays say a great deal about the Conservative commitment to telecommunications. The delays and inaction going back to 1984 were not only poor public policy choices at the time but over time have contributed

to a closed door, behind the scenes decision-making process that in the end led us to a flawed bill.

In addition to these flaws, the government's failure to lead a national discussion of telecommunications policy means Canada has never developed a clear strategy. This government never sat down, looked at the telecommunications industry, studied all of its various component parts, compared how they worked together and came up with some clear directions.

That is the approach that should have taken place. It is a view that was supported by a number of witnesses to the Senate pre-study hearings on this bill. In our view, once a strategy was developed the government opposite could have taken directions from that for drafting a bill. Unfortunately we are now stuck with the results.

We have no national strategy but we have a flawed bill that needs a lot of work. Never was there a white paper, a green paper, any coloured paper or any thorough public review of telecom issues. Never did this government ask the people of Canada: "What are your goals? What do you want to see from your telephone system?"

Never over the past nine years did we see an open process that said to the business community: "Come and have your say. Let us put your comments on the record before we draft a bill, not after".

The worst part is that despite glowing words from Conservative ministers, from the Minister for International Trade and the hon. member for Frontenac to Flora MacDonald and the Minister of Communications, they have never produced the vision to match the rhetoric.

• (1755)

Let us briefly review these commitments. We can go as far back as the trade minister's November 1984 economic statement when he said: "There is a clear need for national telecommunications policy to take advantage of the opportunities presented by rapidly advancing technology and the growing demand by Canadians for new telecommunications services". He added: "Through regulatory reform the government can spur innovation and provide a major stimulus to the Canadian economy". Yet there was never a bold strategy leading to this Bill C-62.

I can keep going back but I will not because it just repeats itself and we will see over and over the lack of strategy and over-all planning that has gone into producing this bill.

Our present minister tabled Bill C-62 in February 1992. Four months later he said at a Senate pre-study: "To delay its implementation", and he was referring to Bill C-62, "would be to slow the growth of an industry which is vital to the Canadian economy".

Yet it is over a year after introduction and this bill is only now coming forward for second reading in the House of Commons. Canadians can see that this government has left this industry in a substantial policy vacuum while pillars of the sector were developing extremely quickly. The government simply never kept up with the pace of changes. It never addressed how the environment was progressing and therefore never demonstrated a clear understanding of what needed to be done. That is why we have a flawed bill before this House today.

In essence this government left Canada labouring under century old legislation and a long series of *ad hoc* decisions affecting the pillars of this industry, the onset of competition, the privatization of Telesat and Teleglobe, and tremendous advances in technology and services, with no coherent or co-ordinated approach from government, something we have called on this government to produce for years.

What are we left with in Bill C-62? What should the goals of this bill be? The bill must provide a fresh direction to the telecommunications sector so that it can maximize the benefits to every Canadian of the world-wide information revolution in terms of learning and literacy, education, training and communicating. It must bring the marvels of this revolution from our biggest cities to our outermost communities. However this bill, as introduced last February, is far from what the country needs.

Let me turn to a number of issues raised in the bill, just some of the issues raised in the Senate's report because we cannot address them all today. Let me deal first with how the bill addresses jurisdiction.

We support the bill's attempt to unify national jurisdiction over telecommunications. We supported the Supreme Court in August 1989 when it ruled in the AGT case largely in favour of federal jurisdiction over telecommunications.

Liberals believe Canada needs harmonized rules and regulations governing this sector if all Canadians are to have equal access to the benefits of the information revolution. How the transition rules work and how regional sensitivities are taken into account certainly must be studied at committee.

Clause 2 concerns definitions. In terms of definitions there was much study in the Senate on this question. I believe it is worth examining more closely how resellers are treated in this bill in terms of whether they should be included in the bill but then be considered for relief from the act where appropriate through either the exemption or the forbearance provisions. That must be explored.

We also need to see how the so-called hybrid companies will be dealt with. They are companies that may be part reseller but own some facilities and are therefore part carrier. This too must be cleared up at committee. As the CRTC said in the Senate the ambiguity in the definition must be removed by clearly setting out what is meant to be included and excluded.

As for power of direction, the government did establish a power of direction providing for broad policy directives to be issued by the Governor in Council as guidance to the CRTC in the Broadcasting Act. Having that in this bill for telecommunications matters is not a surprise. It raises a red flag of concern when the minister is establishing this new power of direction in telecom matters and maintaining the power to vary or rescind CRTC decisions at the same time. We do not want the CRTC becoming a rubber stamp for the minister if he has so much control over the process. That is our concern.

• (1800)

The question of exemptions from the act must be examined very closely. I agree with the Senate report that the CRTC should deal with exemptions when they come up. I am not convinced that specific exemptions for certain classes of carriers should be in the bill itself. If certain classes of carriers are worthy of exemption then the CRTC can certainly deal with this appropriately. Why do they have to be permanently in this bill?

On provincial consultation, in this transition to uniform national regulation of telecommunications, because of the Supreme Court's 1989 AGT ruling, it would be useful to have a mechanism for regional input. However, clause 14 dealing with provincial consultation must not create an open-ended, almost veto power over federal decisions that would inhibit an effective national telecommunications policy from working. Exactly what limits are appropriate under this clause must be carefully examined at committee.

Under clauses 17 and 23 concerning the minister's licensing of carriers, I have great difficulty with the minister grabbing so many new powers in this bill, in particular his idea of licensing carriers. First, we have never been convinced of the benefits of licensing at the same time that the CRTC is regulating communications carriers. The question is: Why politicize entry into this market? Why give the power to issue, renew and revoke licences if the licence in the minister's opinion furthers the bill's telecom objectives for Canada when the CRTC would still have to do the regulating anyway? It adds a layer of red tape that is not helpful and places the minister in the middle of a process that should be left up to the CRTC.

Again these straightforward arguments would have been clear to the government had it bothered to undertake an open public dialogue on these issues long before depositing a bill before Parliament. They are heavily supported by a number of interventions at the Senate hearings on Bill C-62. The suggestion to remove licensing altogether or to move it to the CRTC requires further attention.

What are extremely important are our Canadian ownership rules. If the minister is set to remove licensing from this bill then we will need to see how the criteria and objectives of the licensing regime will be met. Canadian ownership and control is one of the key areas. We believe we need to do everything we can to foster a strong, dynamic Canadian telecommunications system. We need to make sure our own people, our own workers, our researchers and scientists, our own manufacturers, software and hardware designers, all have a chance to prosper and remain on the leading edge of technology.

Putting Canada first is not the right way to put it, nor is closing the door to having Canada telcos participate in global alliances. We cannot stand in the way or stop globalization. What we say is let us make sure there are sufficient safeguards in place so that Canadian interests are protected so that when foreign companies come net benefits to Canada are top priority.

Security will definitely have to be paid to have the 80 per cent domestic ownership requirements work, how the grandfathering will work and how future ownership changes of any other company fits these new rules. We have to ensure that this bill serves Canadians and the Canadian telecommunications industry. It is absolutely

essential that this be the best possible bill we can put forward to serve the future needs of Canadians.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is that the question be now put. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Call in the members.

During the ringing of the bells:

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 45(5)(a), I have been requested by the opposition Whip to defer the division until a later time.

[*Translation*]

Accordingly, pursuant to Standing Order 45(5)*(a)*, the recorded division on the question now before the House stands deferred until after Question Period tomorrow, at which time the bells to call in the members will be sounded for not more than 15 minutes.

[*English*]

It being 6.08 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.08 p.m.

HOUSE OF COMMONS

Tuesday, April 20, 1993

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 10 petitions.

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

* * *

[*English*]

BILL S–17

REPORT OF LEGISLATIVE COMMITTEE

Mr. René Soetens (Ontario): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill S–17, an act to amend the Copyright Act, the Industrial Design Act, the Integrated Circuit Topography Act, the Patent Act, the Trade Marks Act, and other acts in consequence thereof, without amendment.

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

* * *

• (1010)

PETITIONS

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition on behalf of a large number of constituents who recognize that the Government of Canada is joining with the governments of Mexico and the United States in establishing and negotiating side agreements to the North American free trade agreement. They are asking that the Canadian government ensure that an agreement is negotiated which will state that nothing in the Canada–U.S.–Mexico free trade agreement applies to Canada's water resource in other than bottled form and that large–scale exports of Canadian water, whether it is through diversion, pipeline or other means, shall not be conferred by any of these agreements.

Again, in terms of the North American free trade agreement and the Canada–U.S. Free Trade Agreement, they want water to be excluded.

[*Translation*]

VIOLENCE

Mr. Guy Saint–Julien (Abitibi): Mr. Speaker, I would like to table a petition from residents of Lebel–sur–Quévillon, Val–d'Or, Senneterre and Barrante, in the riding of Abitibi, who say that films depicting violence on television are dangerous and therefore unacceptable because they are condusive to greate violence.

The petition also says that all toys that incite children to play violent games are unacceptable and their manufacture should be banned. It is also pointed out that when reporting acts of violence, freedom of the press should be restricted, and that the repeated broadcasting of news about acts of violence on television, on all channels, and on radio may incite others to engage us similar acts of violence.

Therefore your petitioners humbly pray and call upon Parliament to pass the appropriate legislation in order to eliminate violence in our society and thus protect our children and give all citizens a better quality of life.

[*English*]

FREE TRADE AGREEMENTS

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I have the honour and privilege to introduce a petition to this House signed by constituents from

Ottawa, but most of them from my home district of Regina, Saskatchewan.

The petitioners ask the government to not proceed with the North American free trade agreement until after the election, an election that has to occur this year. The petitioners call upon this House to reject the proposed North American free trade agreement and to recommend to the government that it use the termination clause to end the U.S.-Canada Free Trade Agreement.

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, in my first petition we have petitioners who are concerned about the government's tax on books and reading materials. They indicate that there has been no such tax since the beginning of this nation and they point out that there are no other countries in the world which have such a tax.

These petitioners point out that it is counter-productive to increased productivity and to literacy, which are goals which we seek in our society.

BILL C-93

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, in this petition I have people who are objecting to the government's Bill C-93, the proposed merger of the Social Sciences and Humanities Research Council. They suggest that the government is neglecting it completely, that it is going to be wiping it out. They ask the government to rescind, to put away this particular bill, to re-think it. They point out that in their opinion the government has not proven that there will be savings to Canada and that there will be increased efficiency.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, the following questions will be answered today: Nos. 464 and 494.

[*Text*]

Question No. 464—**Mr. Dingwall:**

From 1985 to the present, (a) how many indeterminate employees did the government employ (b) how many indeterminate employees did the government have deployed in each province and territory?

Hon. Monique Landry (Secretary of State of Canada): In so far as the Public Service Commission is concerned, the answer is as follows:

(a) and (b) Number of indeterminate public servants by Province and Territory from December 31, 1985 to December 31, 1991

	1985	1986	1987	1988	1989	1990	1991
Newfoundland	5,073	4,939	4,850	4,807	4,822	5,018	5,004
Prince Edward Island	1,966	1,920	1,881	1,907	1,921	1,868	1,756
Nova Scotia	13,141	12,812	12,515	12,284	12,133	12,134	12,073
New Brunswick	6,968	6,931	6,837	6,768	6,814	6,881	6,765
Quebec (except NCR)	29,392	28,726	28,111	27,566	27,398	28,032	27,945
Quebec (NCR)	15,680	16,944	16,853	16,338	16,166	16,054	15,939
Ontario (NCR)	50,984	48,375	47,406	46,995	47,329	47,471	47,458
Ontario (except NCR)	33,807	32,717	31,501	30,711	31,074	32,461	32,904
Manitoba	9,049	8,754	8,473	8,224	8,268	8,556	8,562
Saskatchewan	5,585	5,281	5,198	5,097	5,408	5,508	5,404
Alberta	12,311	11,902	11,772	11,601	11,712	12,149	12,068
British Columbia	19,201	18,471	18,221	17,990	17,964	18,554	18,479
Yukon	846	818	828	812	765	785	776
Northwest Territories	1,417	1,323	1,275	851	813	821	837
Outside Canada	1,593	1,563	1,589	1,586	1,595	1,531	1,433
Location unknown	11	122	161	163	146	170	69
Total	207,024	201,598	197,471	193,700	194,328	197,993	197,472

Note : Statistics for 1992 will be available only after the tabling in Parliament of the annual report in mid-May 1993

Question No. 494—**Mr. Fee:**

For each fiscal year since 1968 to date, how much did the federal government spend on capital expenditures?

Hon. Gilles Loiselle (President of the Treasury Board and minister of State (Finance)): The answer is as follows:

Capital Expenditures since 1968
($ millions)

1967–68	$750.6		
1968–69	$719.2	1980–81	$1,753.0
1969–70	$663.9	1981–82	$2,174.5
1970–71	$560.0	1982–83	$2,621.7
1971–72	$686.0	1983–84	$3,565.0
1972–73	$664.0	1984–85	$4,810.8
1973–74	$875.0	1985–86	$4,471.0
1974–75	$1,116.5	1986–87	$4,432.7
1975–76	$1,207.5	1987–88	$4,604.3
1976–77	$1,375.3	1988–89	$4,654.2
1977–78	$1,552.2	1989–90	$4,676.6
1978–79	$1,614.0	1990–91	$4,647.8
1979–80	$1,392.4	1991–92	$4,664.3

This table represents federal government capital expenditures from Expenditure by Standard Object tables, Public Accounts. This includes all spending on construction and/or acquisition of land, buildings, works, machinery and equipment over $1,000. Minor capital expenditures under $1,000 are not included. These figures represent all capital expenditures: those with outside parties as well as capital expenditures internal to the government. These expenditures are as reported in Public Accounts and have not been restated to reflect any conversions of departments to Crown corporations.

Source: Public Accounts of Canada

[*Translation*]

Mr. Langlois: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. members: Agreed.

Point of Order

[*English*]

POINT OF ORDER

FREEDOM OF SPEECH

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I rise on a point of order regarding the question of freedom of speech.

• (1015)

This is not the same question I raised as a question of privilege on March 11, but rather a point arising from public reaction to the actions of the majority of the members on the Bill C–113 legislative committee and to the ruling on that action.

The rules in this place are interpreted by you, Mr. Speaker, acting as judge of the court of Parliament on what is or what is not allowed according to the rules of this place. Like a judge in a court, you interpret the rules set down by the legislature. It is not within your jurisdiction to change them no matter how unfair or damaging the ultimate result may be in a particular case.

As you stated in a March 31 ruling on another matter and I quote:

> The Chair is constrained in what the Chair can do by the rules which this House has passed. It is not surprising that sometimes the hon. members or even the members of the public feel that the rules we have set for ourselves may in some cases be unreasonable or even worse. However, it is extremely important, I think, that the Chair be bound by those rules until the House decides to change them.

It follows then that if there is a problem with the rules, the rules must be changed. Legislatures have consistently acted to amend legislation when courts have interpreted it in such a way as to create an outcry among the people who must live under the laws and their interpretation.

This is what I am asking you to do here today, Mr. Speaker. It is clear that there is a great deal of public concern about the possibility of future committee witnesses being arbitrarily silenced by a majority of a committee who do not like what they have heard from those witnesses.

A number of editorials and columnists have spoken out against the possibility of arbitrary censorship.

This place has been under attack from many different quarters for lack of democracy and lack of relevance. Some criticisms are more valid than others. However it is vital that we as parliamentarians pay attention to the voices of the people and do the best we can to make this place work in the interest of all the people of Canada,

not just those whose views we find soothing or acceptable.

We have a section in the Charter of Rights and Freedoms which guarantees the fundamental freedoms of Canadians, including freedom of thought, belief, opinion and expression. This right is subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society. Freedom of speech is no less important in this place. Beauchesne's sixth edition, citation 75 states:

> Freedom of speech is both the least questioned and the most fundamental right of the Member of Parliament on the floor of the House and in committee.

Beauchesne's also states in citation 109:

> Witnesses before committees share the same privilege of freedom of speech as Members.

It is vital that we as parliamentarians bring our guarantees of freedom of speech into line with those enjoyed under the Charter of Rights and Freedoms. Freedom of speech is not unlimited but the limits on that freedom must be very explicit. That is the state of the supreme law of Canada. The supreme law of this place should also reflect that fundamental principle. Therefore, Mr. Speaker, I ask you as a parliamentarian who shares my concern for freedom of speech and respect for this place to refer this matter to the House management committee to study and recommend changes to the rules.

These changes must address the need to guarantee freedom of speech in clear and unambiguous language while balancing this right against the legitimate need for decorum and order in committees. By acting quickly and decisively on this important issue, I believe we can take a significant step toward restoring the reputation of Parliament among the people of Canada.

Mr. René Soetens (Ontario): Mr. Speaker, I believe that what the member for Timmins–Chapleau has requested that you do is to take to the House management committee a request to review the rules governing freedom of speech in committee.

I am rising on that request. We in this place have already set limits that occur for members of Parliament on what they can say.

• (1020)

In fact, in the presentation by the hon. member he says: "Freedom of speech is not unlimited but the limits on that freedom must be very explicit".

As you know, we in this House are bound very clearly by what we can say. Similarly, witnesses and members of committee are bound by those same rules in committee although they are under the control of committee.

I believe that the rules governing freedom of speech were appropriately applied in the instance that has caused this point of order to be raised. Any time a member of Parliament or a witness appearing before a committee levels accusations of fraud or corruption against any member of this place, that member's freedom of speech has exceeded the bounds.

I would suggest that if the member is adamant that this should be reviewed there are other methods for him to do so. I do not believe that you, Mr. Speaker, as our representative should act on my behalf to request a change. I think the rules as they stand right now are adequate.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, on the same point of order raised by the hon. member for Timmins—Chapleau, I would like to submit to the Chair that this does not constitute a point of order, as the hon. member did not refer to a Standing Order that would have been breached. In my opinion this is the same point of order the hon. member for Timmins—Chapleau raised before this House on March 11, on which the Chair has ruled.

Standing Order 10 clearly states that, once the Speaker has decided a point of order, no debate shall be permitted on such decision and no such decision shall be subject to an appeal to the House.

In responding to the point of order raised by the hon. member for Timmins–Chapleau on March 11, you said that it is up to the committees to decide whether they want to report all of their proceedings or only parts of them.

Furthermore, I would like to submit that it is not the place of the Speaker of this House to make rulings on the Charter of Rights and Freedoms; it is up to the courts to decide.

I humbly submit that this point of order is inadmissible.

[*English*]

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I want to be very brief in my intervention in support of my colleague from the New Democratic Party. He has put forward a very fair and equitable suggestion to the House.

In listening to my learned colleague across the way, the parliamentary secretary to the government House leader, I want it to be very clear that my colleague from the New Democratic Party is not revisiting. He is not asking you to re-rule or revisit your decision of March 11. He makes that very clear.

He does raise, however, a fundamental issue of considerable importance to all members of Parliament and the public as well, which is the right of freedom of speech, including where that may not take place.

My colleague has made that argument in a very succinct intervention. He is requesting that the Chair not adjudicate negatively or affirmatively on the subject matter which is in question. That is not the remedy he seeks.

My colleague seeks to have the subject matter, which he believes to be of sufficient importance, referred to the House management committee so it can examine what the hon. member and other hon. members have to say with regard to the right of freedom of speak.

I hope that on the basis of simple fairness and equity this will in no way reflect badly on the Chamber. In fact it will reflect very favourably on the Chamber if such a subject matter can be referred to the House management committee.

I might add that this committee has representatives from all three political parties and is open to other members of Parliament who wish to participate. They may go to the committee and debate. I support my colleague in the remedy he seeks, which is to have this subject matter referred to the House management committee.

• (1025)

Mr. Blaikie (Winnipeg Transcona): Mr. Speaker, I think it is important to emphasize what was just said. This is a procedural suggestion rather than a substantive one. It has to do with referring a particular matter to the Standing Committee on House Management, which is the standing committee of this House charged with looking into matters of procedure and parliamentary rules, et cetera.

I think this is not innocuous because that is pejorative word but I think this is harmless. We should not worry that it is simply a way of revisiting a question that is otherwise not revisitable. I do not think that is what is going on here. I think there is a truly legitimate attempt to try to get something before the Standing Committee on House Management through you that deserves to be looked at.

It is not just a question of the same limitations on freedom of speech that apply in committee applying in this House. We are not free to say anything we like here. We can say things which will bring chastisement or perhaps even more serious measures from the Chair. We can be named. We can even be thrown out of the House for things we say.

To my knowledge things are never stricken from the record here. There is a new dimension here and, Mr. Speaker, you felt the rules only permitted a certain way of dealing with the question when it came before you in the form of a previous point of order. You do not make the rules. The House makes the rules and sometimes it makes them as a result of deliberations in the Standing Committee on House Management. That is where the House deliberates as the House with respect to the rules of the House.

What could be more appropriate when there is an obvious controversy than to have that body, which is charged by the House to deal with these very matters, look at them? That is all that is before us here, I say to members on the government side. There is no judgment involved here on a previous ruling of the Speaker. There is no judgment involved here on the previous behaviour of a majority of the committee that originally gave rise to this controversy. There is no judgment involved here at all. This is simply a matter that ought to be looked at by the Standing Committee on House Management.

I think that in all fairness it is a suggestion that ought to be supported by members on both sides of the House and I hope also by Mr. Speaker, so this can be dealt with in a way that on future occasions there will be some guidance from the House on this matter.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I want to make a very brief intervention to add to the comments already made.

I support the arguments that would call for a reference to the standing committee as a way to resolve this issue. I want to add that there are others, other than members in this House, who are calling for this.

Point of Order

Many of us reading the press over the last number of weeks have been struck by the number of editorials and columnists who have written about this particular act; the fact that a record was removed of something that took place in an extension of this House.

I think the important thing is that we are concerned here. We want to maintain the integrity of this institution. More than that, the public is also now asking us to take some action on this issue.

For that reason I appeal to my friends on the government side to be open to an examination and a resolution of this issue. It is not simply being called upon by those of us here. Others across the country are now looking at this institution. They are puzzled by this type of action. I think it would be in the best interest of the institution of Parliament that we resolve this. This is a suggestion of at least one way to do that.

• (1030)

Mr. Speaker: First of all I want to remark that the hon. member for Timmins—Chapleau has made it very clear that in raising this point of order in the House he is not, nor do I take it that anybody else is, challenging the ruling which I had to make at least as well as I could, given the constraints under which I am operating here. I think that is accepted.

I would not ordinarily invite a question of order on a matter like this. I did not invite it but the hon. member, out of courtesy for the Chair and to this place, let me know that he wished to raise it. This was several weeks ago and I said I would hear it.

The issue of the degree to which a Speaker ought to interfere with the workings of a committee is an important issue. Obviously if every time something did not go the way some people would like in a committee they could come and ask the Speaker to intervene, the implications would be considerable. Our jurisprudence is very clear. For the most part the Speaker should be very cautious about interfering with what goes on inside a committee and for good reasons, based on experience.

The hon. member has brought forward to members on both sides of the House a matter which concerns him and clearly has concerned some others, as other members have commented.

However I am very conscious of what the hon. member for Manicouagan has just pointed out.

[*Translation*]

—It is very important that a debate such as this one, serves to resolve the matter at hand. The Speaker is not commenting on the actions or decisions of the committee.

[*English*]

I understand very well the concern that has been raised by the hon. member. I want to be very careful that I do not do or say anything which is going to create difficulties for the House, committees or others.

I think we have to recognize that the Standing Committee on House Management has, according to the rules we have set for ourselves, certain ongoing powers. I know that the hon. member who is chairman of the committee knows and understands this.

I am reading from the rules: "The House management committee shall include in addition to the duties set forth in Standing Order 104 and among other matters". Subparagraph (3) says: "The review of and report on the Standing Orders procedure and practice in the House and its committees".

I am bringing this to the attention of hon. members because this is an ongoing thing. It is not something that is only there as a consequence of a motion of this House. There is no need for a motion of the House.

• (1035)

I would hope that at the moment anyway the better course would be that hon. members on both sides, and I fully appreciate they are always concerned about our rules and about how we conduct business on behalf of all Canadians who send us here, had a discussion. At this moment I think it would be wise if discussion took place between the hon. member for Timmins—Chapleau, the hon. parliamentary secretary, the chairman of the committee, the hon. member for Ontario who has spoken here, and others. It may well be appropriate that members go to the committee and discuss it. There is no harm in that. I would prefer that we approach it that way instead of putting it to a vote of the Chamber. It is a matter that has caused some distress, we all know that.

There are two sides to the matter, and I am not going to get into that. That also has to be recognized. I think that the appropriate way to deal with it, now that it has been raised in the House, would be for members on both sides to discuss it among themselves. Perhaps they would find agreement to take the matter to the committee where a further discussion could take place.

I think that is better than putting it to a vote of the House. This is a matter we have to deal with among ourselves and in the most civilized way that we can. I would hope that hon. members would find that approach appropriate under the present circumstances.

I thank hon. members for their representations.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION (GOVERNMENT ORGANIZATIONS) ACT, 1992

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-93, an act to implement certain government organization provisions of the budget tabled in the House of Commons on February 25, 1992, as reported (with amendments) from a legislative committee.

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): There are 67 motions in amendment standing on the Notice Paper for the report stage of Bill C-93, an act to implement certain government organization provisions of the budget tabled in the House of Commons on February 25, 1992.

[*Translation*]

Motions Nos. 1 to 20, standing in the name of the hon. member for Cape Breton—East Richmond, will be grouped for debate and the vote on Motion No. 1 will apply to the remaining motions.

[*English*]

Motions Nos. 21 to 23, 27, 28, 30, 31, 33 to 37, 39 and 41 to 64, standing in the name of the hon. member for Regina—Qu'Appelle, Motions Nos. 24, 25, 26, 29, 32 and 40, standing in the name of the hon. member for St. Boniface and Motion No. 38, standing in the name of the hon. Minister of Finance, will be grouped for debate and voted on according to the following pattern:

First, a vote on Motion No. 21 will apply to Motions Nos. 22, 23, 27, 28, 30, 31, 33 to 37, 39 and 41 to 64.

• (1040)

Second, an affirmative vote on Motion No. 21 will obviate the need for votes on Motions Nos. 24, 25, 26, 29, 32, 38 and 40 and a negative vote on Motion No. 21 will require votes on these motions as follows:

A vote on Motion No. 24 will apply to Motions Nos. 25, 26 and 29. Motion No. 32 will be voted on separately. Motion No. 38 will be voted on separately. Motion No. 40 will be voted on separately.

[*Translation*]

Motion No. 65, standing in the name of the hon. member for St. Boniface, will be debated and voted on separately.

Motion No. 66, standing in the name of the hon. Minister of Finance, will be debated and voted on separately.

Motion No. 67, standing in the name of the hon. member for St. Boniface, will be debated and voted on separately.

[*English*]

I will now propose Motions Nos. 1 to 20 to the House.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise on a point of order. Before we proceed with the debate on Motions Nos. 1 to 20, I have read and listened carefully to your decision in terms of the grouping of amendments with regard to report stage and I accept the ruling. I must express my disappointment, however.

I am wondering whether the Chair could assist me in satisfying my concerns by indicating to me whether or not the Chair and the Table took into consideration that this particular bill, Bill C-93, affects a number of different federal statutes of the House of Commons, in particular Enterprise Cape Breton Corporation, and that this goes back some years. It goes back to 1987 when the government of the day under the auspices of Bill C-103 established the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation.

The Chair should know that at that time in the other place there was a motion made to divide the bill which was ruled against by the majority. The Chair should know that on Bill C-103 the opposition raised that very issue and as a result voted against Bill C-103. When Bill C-93, which is the bill that we have before us today, was entered for the purposes of second reading at the first

opportunity members of the opposition put forward to the Chair that the bill ought to be split due to the fact that it involved a good number of different subject matters and that Enterprise Cape Breton Corporation should stand alone in terms of the furtherance of our debate.

I am wondering if the Chair has taken all of those factors into consideration. The amendments we seek here today, particularly amendments 1 through 20, go right to the heart of that particular statute in terms of trying to, as members of the opposition, re-establish Enterprise Cape Breton Corporation. Although I accept the ruling, the Chair knows of my grave disappointment in allowing a mere 10-minute debate at report stage on an important aspect of public policy. I want to know whether the Chair has taken into consideration all the factors I have outlined.

It now stands, Mr. Speaker, that members on this side of the House will have a meagre 10 minutes to discuss and debate over 20 amendments which affect, and I am sure other members on this side of the House would agree, the economic life of an island that has been depressed for a considerable period of time under the administration of those opposite.

[*Translation*]

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I listened very closely to what was said to you about grouping Motions Nos. 1 to 20 presented by the hon. House leader of the opposition, but on reading the proposed amendments the House will realize that what the member proposed is simply to delete all the clauses concerning the merger of the Enterprise Cape Breton Corporation with ACOA. No new idea was proposed. Therefore your decision, Mr. Speaker, to group the motions together and to give the speakers 10 minutes seems to me quite justified, given the lack of substance and of ideas in the motions presented by the House leader of the opposition.

• (1045)

[*English*]

Mr. Dingwall: Mr. Speaker, then to be fair and reasonable perhaps the hon. member opposite would conclude that since there are 20 amendments if one were to multiply 20 by 10 minutes that would take us for an extended period of time.

I am wondering whether or not the hon. member would accede to my request that instead of just 10 minutes for 20 amendments the hon. member would want to allow opposition members to have at least a minimum of 30 to 40 minutes.

[*Translation*]

Mr. Robitaille: No, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): I wish to reassure the hon. House leader of the opposition that the Chair understands very well the disappointment to which the hon. member refers. But again, what guided the Chair in its decision is respect for parliamentary rules and traditions whereby the Speaker seeks to maintain proper control over the debate on report stage of a bill.

Since amendments 1 to 20 do not make changes in the substance of the bill but delete clauses from it, in order to exclude for all practical purposes the part affecting the region of the country represented by the hon. member, there is a common thread and that is what guided the Chair in its decision to group this kind of motions together.

Once again, the Chair wishes to reassure the hon. member that it understands his concern and disappointment very well, but that again, in full conformity with the tradition of this House, the Speaker sought to group together the amendment motions, keeping in mind that they all have more or less the same effect with respect to the impact of this bill on the region represented by the hon. member.

[*English*]

Mr. Dingwall: Mr. Speaker, perhaps I interpreted you incorrectly. You are not suggesting, as the hon. member has alluded, that the doing away of Enterprise Cape Breton Corporation and the amendments members of the opposition have put forward to re-establish and maintain Enterprise Cape Breton are not substantive. Do I understand the Chair correctly?

Is the Chair suggesting to members of the opposition that this is not substantive? It affects a region of this country where unemployment, as demonstrated by government departments, is in excess of 28 per cent. I hope that I have misinterpreted the Chair when he alleged

that this is not substantive. I would like to hear the Chair's comments.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Perhaps there was a misunderstanding. I just said that there was a lach of substance in the amendments in that they were proposals to simply delete of clauses in the bill. In that regard, I am sorry if some interpreted that to mean that the Chair was saying that the amendments proposed by the hon. member were unimportant. I am sorry if it was the interpretation given but it is not what the Chair meant.

All amendments are always considered very carefully by the Chair, which considers them all to be important. It is simply a matter of grouping together, as the Standing Orders provide, the clauses pertaining to a similar topic or with the same end in view. The Chair made its decision with this in mind, as I think the hon. House leader of the opposition will understand.

[*English*]

Mr. Dingwall: Mr. Speaker, I think it is becoming clear that the amendments you have before you are deemed to be substantial.

The amendments are succinct and to the point in calling on the Government of Canada to curtail its craziness in doing away with Enterprise Cape Breton, that is what all of the amendments allude to. That in itself is substantive. If I understand the Chair to be saying that or concurring with that intent, I will be happy to leave the matter there and proceed with the debate on the various amendments Nos. 1 through 20.

• (1050)

[*Translation*]

The Acting Speaker (Mr. DeBlois): We could go on debating all morning but the fact remains, as the hon. House leader of the opposition who is so respectful of the traditions of this House knows full well, that you cannot appeal the Chair's ruling. In that regard, I can assure him that in making this decision the Chair was guided only by the procedure usually or normally used at the report stage of a bill.

Again I understand his disappointment but I reassured him and, this ruling having been made, I think that we should now proceed.

[*English*]

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, recognizing the prerogative of the Chair to group motions, which I of course bow to, I do wish to place on the record my disappointment in the groupings of the motions that I will be introducing.

The intent of all my motions is to have part III of the bill deleted. Part III calls for the Canada Council to include in the future the Social Sciences and Humanities Research Council and the International Culture Program. The Social Sciences and Humanities Research Council and the International Culture Program are two distinct organizations.

Personally I would have preferred to have seen separate 10 minute debates on each one of these measures.

Again I wish to place on the record my disappointment in only having 10 minutes to address the very serious concerns that I and all members of this House have as well as the academic and research community in this country. To see it all reduced to just a little 10 minute debate in this House I think, to say the least, is disappointing to many.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I think that the hon. member's comment was duly noted by the House. We can now proceed to the consideration of Motions Nos. 1 through 20.

[*English*]

MEASURE TO ENACT

Mr. David Dingwall (Cape Breton—East Richmond) moved:

Motion No. 1.

That Bill C-93 be amended by deleting Clause 15.

Motion No. 2.

That Bill C-93 be amended by deleting Clause 16.

Motion No. 3.

That Bill C-93 be amended by deleting Clause 17.

Motion No. 4.

That Bill C-93 be amended by deleting Clause 18.

Motion No. 5.

That Bill C-93 be amended by deleting Clause 19.

Motion No. 6.

That Bill C-93 be amended by deleting Clause 20.

Motion No. 7.

That Bill C-93 be amended by deleting Clause 21.

Motion No. 8.

That Bill C-93 be amended by deleting Clause 22.

Motion No. 9.

That Bill C-93 be amended by deleting Clause 23.

Motion No. 10.

That Bill C-93 be amended by deleting Clause 24.

Motion No. 11.

That Bill C-93 be amended by deleting Clause 25.

Motion No. 12.

That Bill C-93 be amended by deleting Clause 26.

Motion No. 13.

That Bill C-93 be amended by deleting Clause 27.

Motion No. 14.

That Bill C-93 be amended by deleting Clause 28.

Motion No. 15.

That Bill C-93 be amended by deleting Clause 29.

Motion No. 16.

That Bill C-93 be amended by deleting Clause 30.

Motion No. 17.

That Bill C-93 be amended by deleting Clause 31.

Motion No. 18.

That Bill C-93 be amended by deleting Clause 32.

Motion No. 19.

That Bill C-93 be amended by deleting Clause 33.

Motion No. 20.

That Bill C-93 be amended by deleting Clause 34.

• (1055)

He said: Mr. Speaker, I am happy to participate in this debate and I am happy that I have an opportunity to address myself to some very substantial amendments which affect the economy of Cape Breton Island and which directly affect the people who live in that part of Canada.

The sole purpose of these substantive amendments is to stop the Government of Canada from winding up Enterprise Cape Breton Corporation and transferring its functions and staff to the Atlantic Canada Opportunities Agency. That is the substantive purpose of all of these amendments which affect Enterprise Cape Breton Corporation.

What is Enterprise Cape Breton Corporation? It is a Crown agency of the Government of Canada, put in place by the government opposite to enhance economic development on the island of Cape Breton.

There has been a long tradition going back to the late sixties of the Government of Canada taking an active role in enhancing economic opportunities in Cape Breton. We had the establishment of the Cape Breton Development Corporation which had two divisions: a coal division which is still in existence as well as an industrial development division. It is that arm, the industrial development division, which is the focus of our debate here this morning.

In 1987 the then minister responsible for the Atlantic Canada Opportunities Agency did away with the industrial development division of Devco. In its place he told Parliament and the people of Cape Breton: "We shall establish Enterprise Cape Breton Corporation which will take the place in all of its substance and consequences of that of the industrial development division, a new agency, set apart, situated in Cape Breton to foster economic growth".

It should be noted the then minister responsible for Atlantic Canada Opportunities Agency was none other than Senator Lowell Murray who said on May 18, 1988 on page 3431 of the Senate *Hansard* that it was a nation building measure.

That is what it was, a nation-building measure. That is what he said. Today in 1993, when conditions are unparalleled in that part of Canada in terms of its unemployment, in terms of the lack of infrastructure which is needed for our sagging steel industry and other resources, what do we have the government doing? It is removing a nation-building measure from that part of Canada. I express with great vigour my disappointment with the procedural aspects of this debate but more important with the substance of this debate. I find it shocking. I find it despicable that the minister responsible, the federal minister for Nova Scotia, the hon. member for Central Nova, has not said one word in defence of Enterprise Cape Breton Corporation. I find it more despicable that the premier of the province, the Hon. Don Cameron, has been as silent as anyone could ever be with regard to a tool that can be used for the purposes of economic development.

• (1100)

We know a lot about the premier of Nova Scotia when it comes to economic developments across our province and particularly in Cape Breton.

I want the record to show that the people of my province will have an opportunity to cast their judgment with regard to Don Cameron's activities in the province and also with regard to his lack of activity when it comes to supporting economic development agencies whose sole purpose and demonstrable track record has been to enhance economic opportunities in Cape Breton.

I want the House to understand that those of us who live in eastern Canada are not looking for handouts. We do not want to go cap in hand to Ontario or to Quebec looking for money, but we are looking for fairness. In seeking fairness, there is a real role for an activist government to enhance those economic opportunities. The Government of Canada could have done that if it had maintained Enterprise Cape Breton but it has decided to do away with it.

Its argument will be, as I am sure members opposite will say, that all of the functions of Enterprise Cape Breton will now be carried out by the Atlantic Canada Opportunities Agency. That is just not so. A few will but most will not.

I need not share with my constituents for they know where I stand and where my colleague from Cape Breton—The Sydneys stands with regard to Enterprise Cape Breton.

Let us ask ourselves these questions. If it were a nation-building measure in 1988 with unemployment in excess of 28 per cent, with young people migrating from our area at a phenomenal rate, with older workers with little if anything to return to or to refer to after having been displaced, with our steel industry sagging, our fisheries in a crisis, our coal industry having declined dramatically, our forestry without direction, is that not a crisis? Should we not want to maintain a nation-building measure to try to counter some of those difficulties? Is this act to do away with this corporation done out of a spirit of meanness by the federal minister for Nova Scotia and the premier of Nova Scotia, Don Cameron?

The assistant secretary for the Treasury Board, which my colleague from Cape Breton—The Sydneys brought to my attention, said the following about Bill C-93: "Seen in this light Bill C-93 proposes to amalgamate certain programs which the government wishes to continue but which can be delivered more effectively by combining with existing organizations".

It is a modest proposal if you like from a savings perspective.

• (1105)

It is not being done to save money. It is not being done to amalgamate and assure effectiveness. With the greatest respect, I say to you, Mr. Speaker, and through you to members of this Chamber, it is being done for solely political reasons.

It is being done because the Premier of Nova Scotia, Don Cameron and the federal minister responsible from Central Nova have determined that area of the country has Liberal representations and therefore they will choke them off.

You may think that is a cynical view. I assure you that view is real and is shared by a vast majority of the residents of the island of Cape Breton. We will see their disdain in the provincial election which has been called. We will see demonstrable signs of their disdain when a federal election is called because they will vote against the Tory administration both provincially and federally.

I urge hon. members in this Chamber, on the basis of fairness and economic opportunity to Canadians who live in a poorer region of this country, to come to their senses, re-establish and reinstate Enterprise Cape Breton Corporation.

[*Translation*]

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I listened very carefully to what was said by the opposition House leader, who gave us a good demonstration of his talents as a public speaker. It is too bad he did not use those talents to properly inform his constituents. Perhaps I may set the record straight. All services offered by the Enterprise Cape Breton Corporation will be maintained. What we are talking about here in Bill C-93 is the administrative integration of the Enterprise Cape Breton Corporation into the Atlantic Canada Opportunities Agency.

Motions Nos. 1 to 20 standing in the name of the opposition House leader are dilatory, their only purpose being to waste the time of the members of this House. We saw how this strategy failed at the report stage of Bill C-63 which concerned the measures to streamline gov-

ernment operations announced in the February 1992 budget.

These motions propose to delete, clause by clause, part II of the bill, without offering valid alternatives. As you said Mr. Speaker, they offer no substantial changes to existing clauses. They offer no valid alternatives because there are none.

Perhaps I may take a few moments to examine the reasons for the government's decision not to eliminate the Enterprise Cape Breton Corporation but to intergrate it into the Atlantic Canada Opportunities Agency, better known as ACOA.

Since 1988, the Atlantic region has enjoyed the benefits of the economic development programs administered by ACOA to support small and medium-sized businesses. Aware of Cape Breton's special economic development needs, the federal government provided additional programs through the Crown corporation known as the Enterprise Cape Breton Corporation.

As a Crown corporation, Enterprise Cape Breton was able to develop programs adapted to the island's changing economic conditions. With reference levels totalling nearly $10 million, the corporation has offered loans, equity participation and non-refundable grants to help various sectors of the local economy.

The corporation has always maintained a close relationship with ACOA.

• (1110)

As a matter of fact, the enabling legislation put the corporation under the control of the minister responsible for ACOA and stated furthermore that the president of ACOA should also be president of the corporation and chair of the board of directors.

By integrating the Enterprise Cape Breton Corporation into ACOA, the government is taking steps to streamline administration costs related to economic development assistance in Cape Breton and dispelling the confusion regarding the programs available to small and medium-sized businesses on the island. What does the opposition have against maintaining the functions and services offered by the Enterprise Cape Breton Corporation while cutting administration costs and making the programs more efficient? What can possibly be wrong with trying to improve the way these organizations are managed, save money and ultimately reduce the taxpayers' burden?

As you no doubt recall, Mr. Speaker, part II of Bill C-93, which deals with ACOA and the Enterprise Cape Breton Corporation, ensures that no aspect of the federal government's commitment to Cape Breton will be lost. So stop making the people of Cape Breton and the surrounding area believe that we are in the process of getting rid of this corporation. It is not true and it is regrettable that the opposition is once again playing petty politics for partisan and local reasons, making people feel insecure.

There are provisions calling for specific initiatives to meet the needs in Cape Breton, on top of those already available under ACOA. The proposed measures are in fact programs presently administered by the Enterprise Cape Breton Corporation. In addition, the bill transfers the functions and powers of the corporation to ACOA.

All in all this move does not eliminate any services or weaken the federal government's commitment to Cape Breton. That is probably why, unlike the hon. member who spoke earlier, Premier Cameron did not raise a fuss.

The end result of the decision will in fact be to put an end to overlap and duplication of programs. The people are fed up with us not doing what must be done to save money for all taxpayers and those who contribute to the financing of the programs. They have had it with us not making an effort to terminate and eliminate unnecessary duplication.

As the only economic development agency, ACOA's Cape Breton office will administer more efficiently the programs and services previously offered by the Enterprise Cape Breton Corporation. The full integration of the corporation in the ACOA network will make it easier for the Cape Breton business community to access the full range of programs and services offered by the agency. What can the opposition possibly have against that?

My colleagues on the other side of this House are perfectly aware of the benefits of such an initiative and they have nothing better to oppose it than these filibustering tactics to waste our time. The next thing you know they will complain that they do not have enough time to debate NAFTA, the North American free trade agreement. They will complain about never being allowed enough time to debate. Just look at what they are doing today to make us waste our time.

Mr. Speaker, let me remind you also that in the documents tabled with the federal budget on February 25, 1992 the Minister of Finance stated that the Enterprise Cape Breton Corporation was in essence the local expression of the expanded mandate of the Atlantic Canada Opportunities Agency. In order to eliminate overlap and duplication and to streamline administration the Enterprise Cape Breton Corporation will not be eliminated but rather merged with ACOA. This merger will thus save the taxpayers the administrative costs of two very similar programs offered by two separate federal agencies.

• (1115)

Finally, the services remain, nothing has changed, but instead of having two entities there will be only one. So there will be less space to rent and lower administrative costs. What can the opposition have against trying to save public funds?

In merging these two organizations, the minister responsible for ACOA urged his departmental officials to preserve the strong points of the Enterprise Cape Breton Corporation and maintain the flexibility of its programs.

Bill C-93, I repeat, seeks to maintain the programs of the Enterprise Cape Breton Corporation through ACOA in Cape Breton.

Let us recognize these motions for what they really are: delaying tactics with no other purpose than to slow down government business and disappoint the citizens of this country who have urged us to act and told us that they have enough of waste, mismanagement and duplication and demand that we do something. We are doing something and I find it unfortunate that again the opposition shows no sensitivity in managing public funds.

Therefore I ask all members of this House to join us in rejecting these futile proposals.

[*English*]

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I too would like to speak on this bill.

I cannot believe the insensitivity of the government and the misinformation of the member for Terrebonne. He stood before the House presenting this legislation and did not even know it is not the Cape Breton Development Corporation that ACOA is going to take over, but Enterprise Cape Breton Corporation. We lost the industrial division of the Cape Breton Development Corporation before the last election five years ago. The government assured us through its spokesperson in the Senate, Senator Murray and the hon. member for Cape Breton—East Richmond that everything would be fine in Cape Breton. Senator Murray said this was a nation-building measure.

I want to tell you how nation building this has been. Today in Cape Breton the unemployment rate, as reported by the government's own propaganda agency, Statistics Canada, stands at 29.4 per cent. You know that is not going to be the maximum.

[*Translation*]

Mr. Robitaille: Mr. Speaker, for your benefit and the benefit of the member and the House, I want to make clear that throughout my statement, I spoke of the Enterprise Cape Breton Corporation and not Devco. I think there has been an error in translation here in the House. Throughout my speech, I referred to the Enterprise Cape Breton Corporation and ACOA. I made no reference to what the member is saying.

[*English*]

Mr. MacLellan: Mr. Speaker, if that is what the hon. member stated I will accept it. Certainly that must have been a mistake in the translation.

I want to refer to what the hon. member for Terrebonne said. He said this is merely an administrative change; a money saving operation. That is not true.

The fact is that the economy on Cape Breton Island is in a devastating situation. As I mentioned, the unemployment rate right now as stated by Statistics Canada is 29.4 per cent.

I want to refer to one section of this bill. That is subclause 18(b) where it states that we are now going to, and I quote:-

• (1120)

—promote and assist, either alone or in conjunction with any person or the Government of Nova Scotia or any agency of the Government, the financing and development of industry on Cape Breton Island to provide employment outside the coal producing industry and to broaden the base of the economy of Cape Breton Island.

Mr. Speaker, I want to tell you about the Government of Nova Scotia. Since 1978 there has not been one industry established on Cape Breton Island with the help of the Government of Nova Scotia or by the Government of Nova Scotia on its own. It has not done one thing on Cape Breton Island.

Not only that, but if you were to travel to Cape Breton Island and stop at a tourist bureau on the mainland, one of the remarks you may get is "well, you do not really need to go to Cape Breton Island". In fact, the minister of tourism for Nova Scotia a few years ago, who was a cabinet minister on Cape Breton Island, had responsibility for a federal-provincial agreement on tourism, of which $14 million was to be applied to the mainland of Nova Scotia and $14 million to Cape Breton Island. This Cape Breton minister in the Nova Scotia government spent the $14 million allotted for the mainland of Nova Scotia on the mainland of Nova Scotia, but the $14 million allotted for Cape Breton he sent back to Ottawa. Imagine that. That is the co-operation we have been getting from this Government of Nova Scotia. We are being asked in this House to throw our lot in with those desperadoes. Come on. The only hope we have is that this government is going to lose the provincial election. Otherwise, it is going to be more of the same.

I will give another example. We have a university on Cape Breton Island of which we are very proud. It is in the constituency of the member for Cape Breton—East Richmond. It is one of the hopes of bolstering the economy of Cape Breton. We are dependant on the innovation that we can get through this university. I want to say that the average student allotment by the province of Nova Scotia to the University College of Cape Breton is $4,300. The average in Nova Scotia is $6,800. Even if we got the average on Cape Breton Island we would have an additional $4 million of assistance for the University College of Cape Breton.

This is the treatment we have been getting on Cape Breton Island. And this government is continually eroding any assistance to this area which so desperately needs the support of its federal government. Now it is taking away the one independent agency that was left to work for Cape Breton Island. It says there is not going to be any difference, that it is going to be an improvement. That is not so. We are losing a great deal.

Let me just give one example which is all I have time to give in the time allotted. Under the Atlantic Canada Opportunities Agency there is no provision to own land. There was and there is at the present time under the Cape Breton agency. Enterprise Cape Breton Corporation does have the right to own land. Where is the industrial park that Enterprise Cape Breton Corporation has going to go? What is going to happen to it? The government has made absolutely no commitment or provision for that.

We have a demonstration farm on Cape Breton where we are trying to work on new agricultural methods, new agricultural procedures that are distinctive to the soil and to the climate of Cape Breton which is different from mainland Nova Scotia because mainland Nova Scotia goes north-northeast. It is colder, the soil is different and we need this demonstration farm. Because ACOA cannot own land, we cannot foresee how this demonstration farm is going to be able to be maintained. Is the federal Department of Agriculture going to take it over? No. Is the provincial Department of Agriculture going to take it over? No. What is going to happen to it?

That is another loss that is going to be factored into the doing away with Enterprise Cape Breton Corporation.

• (1125)

With regard to the fishing industry, there are no groundfish off northern Cape Breton. No groundfish. The fishing industry is in tatters and we are told you can wait, do not worry, the fishermen are not going to go on unemployment for a while. The fishermen in my riding are going to go on unemployment on May 1. This is April 20 and there is still no package for the fishermen on Cape Breton Island.

The steel industry is down from 3,700 people 15 years ago to 600 today. The mining industry is down from 4,200 people to about 2,000 today. The tourist industry has been reduced largely because of the GST which this government put in. The fishing industry is reduced because of a stupid fishing policy that this government brought in. In fact it now does not even care to subsidize

the fishermen it put out of business. It has been one problem after another as a result of the policy for Cape Breton.

Now this government is taking away the one distinctive agency that could do something on Cape Breton Island if it were allowed to function by this government, but obviously it is not. I ask the government to reconsider this idiotic provision in taking away Enterprise Cape Breton Corporation.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I rise first of all in support of the amendments that have been introduced by the Liberal Party.

A lot in Bill C-93 is commendable. I think the opposition parties, both the Liberal Party and certainly my party, the New Democratic Party, have no problem at all in seeing greater efficiencies in government, in seeing government waste being reduced.

When you set about the task of reducing government waste you have to do it in an intelligent manner. You have to do it in a way that when you change agencies, when you restructure, you do it in a way that makes common sense, that uses intelligence, that involves consultation and then through a consensus process you proceed with the changes. There is much in Bill C-93 that illustrates this government has not done any of these things.

Certainly this clause that will roll Enterprise Cape Breton Corporation into the Atlantic Canada Opportunities Agency is a unilateral action undertaken by this government without the proper consultation with the people that these agencies are supposed to serve.

We tend to think that in this day and age the message is coming out loud and clear that this type of arbitrary bureaucratic government is not only wasteful but should be ending.

We hear members of the Conservative Party who are running for their leadership talk and proclaim about a new type of democracy, a new type of open government, a government that is responsive to the needs of the people, a government that consults people.

Yet when you look at what this government is actually doing despite the lofty statements of those who aspire to be the leader of this government, you know that it is business as usual.

The government claims that with this measure we are going to save jobs, that it is going to make things more efficient. We heard the spokesman for the government loudly proclaim this fact and accuse the opposition of stalling, of being opposed to these measures that would cut government waste.

The government and the government spokesperson does not understand, does not hear what we are saying. We are saying that this measure will not achieve greater efficiencies. It would not reduce the deficit of this government. That is what we are trying to hammer home to this government, that what it is doing in several of the clauses of Bill C-93 is the very opposite to the aim and the lofty purpose that it proposes in this House.

For example, under the access to information the Canadian Federation of the Humanities obtained the study by Treasury Board as to the savings of items recommended under Bill C-93. We looked at Enterprise Cape Breton Corporation and what the savings will be. Over five years it will be minus $1 million. In other words, it is not going to save. It is going to cost $1 million over five years.

• (1130)

How many personnel reductions will there be? There will be 24 less person-years over a five-year period. It will mean that in the year 1993-94 six positions will be saved, which is true for the next four years. In a five-year period it is going to cost an extra $1 million to do the transfer and in the end it is going to save 24 positions. That again is over five years. That is the best case scenario in terms of savings.

Therefore, when this government stands up and says it is doing this to save the taxpayers money and to increase efficiencies in government, the fact of the matter is that is not so. It is smoke and mirrors that this government is introducing to us.

Let us remember that the Enterprise Cape Breton Corporation was established in 1987 by separating the industrial division of the Cape Breton Development Corporation from the coal division of the Crown corporation. At that time we were opposed to the measure. We were opposed because prior to that the focus for

economic development in Cape Breton was an integrated form. The general economic development as well as the economic development for coal were brought together. We sensed in our opposition that we needed an integrated approach in order to focus on the tremendous problems of Cape Breton.

At that time the government justified its action by saying this would create again "greater efficiencies". Let us have a look at the record. In March of this year Cape Breton Island had an unemployment level of some 29.4 per cent. Indeed only 33.9 per cent of the adult population had some kind of job at all.

Let us compare that with 1987 before the government attempted to make things more efficient. When the corporation was created the unemployment rate in Cape Breton Island was only 19.3 per cent with a participation rate of some 54 per cent. That is quite an accomplishment to drive up the unemployment rate to 29.4 per cent from 19.3 per cent in 1987.

When we look at the projects that have been funded under the regime this government introduced in 1987, what do we find? A report in 1991 on Enterprise Cape Breton found that those projects which had a total cost of $1 million or more had a failure rate of some 71 per cent. Enterprise Cape Breton was a participant in a number of spectacular fiascos on the island, everything from Technitread, which was a $2.1 million loss, to WCN Communications which was a $4.1 million loss.

The study also indicates, and this is very important—I think there is a lesson to be learned in this—those projects costing less than $100,000 had a success rate of 72 per cent which states that those smaller efforts at economic development had a much better chance of succeeding.

We opposed the separation of the industrial division of Devco in 1987 and we are opposed to having the corporation rolled into ACOA today. In 1988 we proposed an amendment to the legislation creating the corporation and ACOA which would have required that after two years—that is in 1990—a review would have been undertaken by the Standing Committee on Industry, Science and Technology to determine whether separating the industrial division from Devco had been a success or failure. Unfortunately at that time the government opposed the amendment.

• (1135)

We have heard the government spokesperson talk about the opposition being motivated mainly by political considerations. That is not true. We want to see an effective program. That is why in 1988 we introduced amendments to ensure that there would be a proper review of what Parliament had done in 1988.

The government could have accepted our proposal instead of playing politics. However because the suggestion came from the opposition the government automatically, in a knee-jerk reaction, opposed it. It could have accepted our amendment as a well-intentioned amendment aimed at allowing a review after two years to make certain that what we had done in 1988 was the correct thing, and if it was not, to allow us an opportunity to redirect and correct any mistakes we made. No, the government was opposed.

In the absence of any other alternative a full review of the success or failure of that amalgamation should have preceded the abandonment of that corporation and the rolling of its activities into ACOA. What we are asking for is a proper review.

The government is saying that we are wasting time. Is it a waste of time to make certain that the review is done right so that moneys can be saved, so that the purpose of this exercise, economic development on Cape Breton, can be done in the most efficient way? That is what we are trying to do and what we are trying to seek.

We are not trying to score political points. We want to make certain that what we do as a public body we do in the best way.

What it comes down to is local control. The people of Cape Breton Island should really have ultimate control over their destiny and economic development. They are the people who know the best. What the government is doing today is taking control further away from them. It is a pigheaded and stupid move on behalf of this government that makes no sense.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to speak to the set of motions by my colleague, the hon. member for Cape Breton—East Richmond, which attempt to prevent the rolling into ACOA of Enterprise Cape Breton Corporation. They attempt to preserve the single agency left on

Cape Breton Island that can plan the economic future of Cape Breton Island as a whole.

The provision in Bill C-93 to eliminate Enterprise Cape Breton Corporation can only be described, if one regards it in the historical context of this government's activities with respect to Cape Breton, as one of astonishing cynicism.

If we go back to the beginnings of this government, back in 1984-85, and examine the record of the government in terms of promoting development on Cape Breton Island we see a government that had a few ideas initially but has totally given up. It has decided that Cape Breton Island is a place where it has no support and there is no point in even investing a modicum of energy or resources in an attempt to create an economic future for that part of Canada. It has written that part of Canada off.

• (1140)

When Devco was created back in 1967 as a federal Crown corporation to run the coal industry in Cape Breton the industrial development division was added to Devco in order to promote alternatives to coal and steel and create a diversified economy on Cape Breton Island. We realized then and we still realize that it is a long-term, ongoing prospect. The government of the day considered Cape Breton Island as an economic entity that required a focus, a focused plan of development and a focused agency to promote the opportunities of the island and to try to find by trial and error alternative economic opportunities for the island.

In 1988 when this government took the industrial development division of Devco, broke it off from Devco and created the Enterprise Cape Breton Corporation, this party saw then that the intention of the government was ultimately to terminate that agency whose mandate and focus was to promote economic development on Cape Breton Island. We saw it in the words of the government leader in the Senate when he said in introducing Bill C-103, which was an act to create ACOA, that this was a nation building measure. Creating Enterprise Cape Breton Corporation as a separate agency from the Atlantic Canada Opportunities Agency was a nation building measure.

In another part of his speech he said that the purpose of this organization was to: "Promote and assist in the financing and development of industry on the island of Cape Breton in order to provide employment outside the coal mining industry and to broaden the base of the economy of the island". That was what the purpose of the industrial development division was. He said that Enterprise Cape Breton Corporation would do this on its own and in conjunction with others, whether individuals, governments or government agencies.

We knew at that time that the government's ultimate plan was to eliminate the industrial development division of Devco, to eliminate a separate agency to promote economic development on Cape Breton Island and to roll it in with the rest of the hodgepodge of programs it has created and which have had no focus and no effect. The government has literally thrown money at Cape Breton and at the rest of Atlantic Canada but it has had no effect in terms of promoting some kind of focused economic development in that part of the world.

At the same time the fundamental resource based industries that we have, such as the fishery which is in a state of collapse all around our shores through no fault of the people involved in the industry but largely because of its mismanagement by this federal government and the coal and steel industries which have been struggling for generations and for which we are still striving to find some ways of providing some alternative, continue to be all that exists to sustain the people of Cape Breton, those who are willing to stay in that part of the island. We still need a focused agency to come up with alternatives and find the natural opportunities that exist in Cape Breton to create meaningful, long-term and stable employment for our citizens and our young people for the future.

The measures that have been created, the programs of loan guarantees, interest buy-downs and investment tax credits which the government has lobbed in our direction and then taken away, altered and changed at a whim and a moment's notice, have actually undermined more than anything the entrepreneurship and natural business acumen of the people of the island.

• (1145)

It had them chasing grants, loan guarantees and interest buy-downs. It had them chasing smoke stacks from other parts of Canada who have come with no reason to stay on the island. We have had to live with this over the whole period of this government.

Here we are in the dying days of a Tory administration that has lost all sense of purpose and all sense of commitment. It has no ideas and has bankrupted any solutions for this part of the country. It is taking away the only agency which, small though it was, was trying and was in a position to focus and deal with the problems unique to Cape Breton Island.

That is what this government is doing with Bill C–93. That is why the members of Parliament who represent that part of Canada are so opposed to this bill.

In 1988, just before the last election when the government created ACOA, we had a flurry of announcements of businesses starting up all over Atlantic Canada. In Cape Breton Island the people had money forced on them. Many businesses were started up prematurely. I know because they are in my riding. They gave up their life savings to set up corporations induced by these incentives given by the government just before the election. After the election the incentives disappeared and the businesses struggled on. Many of them went bankrupt.

The life savings of some of those people went with them. We had the situation of a few months ago, and I do not want to let this go by, in which Premium Automotive Tanks Inc. in Port Hawkesbury, after five years of taking this government's money and taking the talents and dreams of the people of Port Hawkesbury, closed its doors overnight.

Yesterday I discovered three employees of that company who for some reason were not on the list to get their severance payments and are being denied their severance payments by that company. Now that the company has its assets out of Port Hawkesbury it does not need to care and does not care about the employees who are there and who are trying at least to get a severance package so they can begin to rebuild their lives.

That is the legacy of this government on Cape Breton Island. That is why it knows that it will get absolutely no support provincially or federally in the next election.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am pleased to be given the opportunity to talk about this series of amendments because this particular activity is probably one of the worst initiatives that the government has ever undertaken.

It has been a botched job right from the beginning. In fact, *ce sera appelé l'opération malmenée.*

I already have graduate students who are contacting me to do theses at the masters and doctoral levels. They want to do a case study of something that has been particularly badly done by government. This is the one that they are zeroing in on.

Why is Enterprise Cape Breton Corporation being axed? It raises very fundamental questions if it is going to be done away with, as it will be. What is next? The more important question is why did the government decide to do that?

I have maintained right from the beginning that it was to try to respond to the right wing of its party, the reform agenda. I suppose that because I am from this side of the House people might say that is what I would say. I would like the ladies and gentlemen in the House to cast their eyes on an article in *The Globe and Mail* from February 27, 1993 by a well-known writer by the name of Hugh Winsor.

He was interviewing a senator by the name of Finlay MacDonald, who is a senator from the government's side. While talking to him this is what the good senator had to say. He saw this whole exercise as the government's attempt to thin the public perception that chronic deficits are caused by waste and mismanagement as it allows the public to believe there is a painless way to solve our serious financial problems. That is one comment which the senator made. The other one is equally effective and I find it more interesting. The whole exercise might be nothing more than a symbolic act to protect the party's right flank from attacks from the dreaded Reform Party and cause sufficient pain and spill enough blood to impress the voters. If this is true it might be good politics in the short term but it is not good public policy in the long term.

• (1150)

I did not say that. Senator Finlay MacDonald said it. It is available to anyone and everyone. I would be delighted to carry it to them personally.

Let us look at the contentions that the government made. It is going to save money. I will speak to that later. It is going to increase efficiency and effectiveness. I will speak to that later.

I say to the government side that is why it is such a botched operation,

[*Translation*]

It was botchedry because no studies were ever made. Can you imagine the government introducing a bill of this magnitude, winding up some agencies and consolidating others, without any preliminary studies to determine whether it will save money or increase efficiency.

[*English*]

Where is the proof? Give me the proof and I will reconsider my position. I contend it was nothing but a blatant political act.

In the interest of fairness I want to quote from some of the testimony that was given by those representing the government. Bill C–93 is a modest proposal if you like from a savings perspective. In one particular case they point out that the changes will cost government additional money. Can you imagine that? That is what they say.

Let me quote again from one of the government witnesses: " But we have no particular studies on costing on the savings". When I asked where the increased effectiveness would be they said it may well be possible by putting organizations together that work well together to find better ways of delivering services in addition to the strict cost economies that are provided. Those are not estimated in the numbers, of course. That is what they have done.

I wanted to get that on the record and make sure people understand that whether we happen to be talking about Enterprise Cape Breton Corporation or the removal of the Social Sciences and Humanities Research Council by consolidating it with the Canada Council, or any number of features of this particular bill, we are not talking about saving money. We are not talking about increasing efficiency or effectiveness. We are talking raw politics.

Why am I saying that? I gave a quote and pointed out there are no studies. There will be no money saved. There will be no additional effectiveness. If the government was really serious about saving money and doing something to increase efficiency and effectiveness it would have called those organizations together and told them how much it needed to save. It would have told them the effectiveness or efficiency it wanted to realize.

Did it do that? Oh, no. There are brave soldiers on the government side. We have to admit that. They sent their civil servants to the slaughter house. It was terrible. I felt very bad. In fact I went in there angry and finally had to back off because those poor souls had been sent by those insensitive politicians on the government side. Now those elected officials on the government side are doing their best. They have been sent out of the trenches without any protection. There are no savings. There is no increased efficiency. This is a political act. The government is trying to get close to its kissing cousins, the Reformers.

I am going to wager any odds that it is not going to work. Find me one responsible person who says these are good ideas in terms of saving money and increasing effectiveness, besides elected Conservative officials who may be under tremendous pressure to do what their political masters ask them to do, and I will reconsider my position.

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

Some hon. members: Question.

• (1155)

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

[*Translation*]

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 76(8), a recorded division on Motion No. 1 stands deferred.

In accordance with the Chair's ruling made earlier this morning, we will now proceed with consideration of Motions Nos. 21 to 23, 27, 28, 30, 31, 33 to 37, 39 and 41 to 64, and Motions Nos. 24, 25, 26, 29, 32 and 40 and, finally, Motion No. 38.

Mr. Simon de Jong (Regina—Qu'Appelle) moved:

Motion No. 21.

That Bill C-93 be amended by deleting Clause 35.

Motion No. 22.

That Bill C-93 be amended by deleting Clause 36.

Motion No. 23.

That Bill C-93 be amended by deleting Clause 37.

Motion No. 27.

That Bill C-93 be amended by deleting Clause 38.

Motion No. 28.

That Bill C-93 be amended by deleting Clause 39.

Motion No. 30.

That Bill C-93 be amended by deleting Clause 40.

Motion No. 31.

That Bill C-93 be amended by deleting Clause 41.

Motion No. 33.

That Bill C-93 be amended by deleting Clause 42.

Motion No. 34.

That Bill C-93 be amended by deleting Clause 43.

Motion No. 35.

That Bill C-93 be amended by deleting Clause 44.

Motion No. 36.

That Bill C-93 be amended by deleting Clause 45.

Motion No. 37.

That Bill C-93 be amended by deleting Clause 46.

Motion No. 39.

That Bill C-93 be amended by deleting Clause 47.

Motion No. 41.

That Bill C-93 be amended by deleting Clause 48.

Motion No. 42.

That Bill C-93 be amended by deleting Clause 49.

Motion No. 43.

That Bill C-93 be amended by deleting Clause 50.

Motion No. 44.

That Bill C-93 be amended by deleting Clause 51.

Motion No. 45.

That Bill C-93 be amended by deleting Clause 52.

Motion No. 46.

That Bill C-93 be amended by deleting Clause 53.

Motion No. 47.

That Bill C-93 be amended by deleting Clause 54.

Motion No. 48.

That Bill C-93 be amended by deleting Clause 55.

Motion No. 49.

That Bill C-93 be amended by deleting Clause 56.

Motion No. 50.

That Bill C-93 be amended by deleting Clause 57.

Motion No. 51.

That Bill C-93 be amended by deleting Clause 58.

Motion No. 52.

That Bill C-93 be amended by deleting Clause 59.

Motion No. 53.

That Bill C-93 be amended by deleting Clause 60.

Motion No. 54.

That Bill C-93 be amended by deleting Clause 61.

Motion No. 55.

That Bill C-93 be amended by deleting Clause 62.

Motion No. 56.

That Bill C-93 be amended by deleting Clause 63.

Motion No. 57.

That Bill C-93 be amended by deleting Clause 64.

Motion No. 58.

That Bill C-93 be amended by deleting Clause 65.

Motion No. 59.

That Bill C-93 be amended by deleting Clause 66.

Motion No. 60.

That Bill C-93 be amended by deleting Clause 67.

Motion No. 61.

That Bill C-93 be amended by deleting Clause 68.

Motion No. 62.

That Bill C-93 be amended by deleting Clause 69.

Motion No. 63.

That Bill C-93 be amended by deleting Clause 70.

Motion No. 64.

That Bill C-93 be amended by deleting Clause 71.

• (1200)

Mr. Ronald J. Duhamel (St. Boniface) moved:

Motion No. 24.

That Bill C-93 be amended in Clause 38 by striking out lines 3 to 5 at page 14 and substituting the following:

"to be known as the Arts and Social Sciences and Humanities Research Council of Canada, consisting of a Chairperson,".

Motion No. 25.

That Bill C-93 be amended in Clause 38 by striking out lines 26 and 27 at page 14 and substituting the following:

"portance of maintaining a representative membership that reflects each of the distinct".

Motion No. 26.

That Bill C-93 be amended in Clause 38 by adding immediately after line 28 at page 14 the following:

"(4.1) A person is not eligible to be appointed as a member of the Council if the person does not have a knowledge or experience that will assist the Council in fulfilling one of its functions."

Motion No. 29.

That Bill C-93 be amended in Clause 40 by striking out lines 32 and 33 at page 15 and substituting the following:

"support of artists in Canada and abroad; and".

Motion No. 32.

That Bill C-93 be amended in Clause 42 by striking out lines 29 to 34 at page 16 and substituting the following:

"42. Section 14 of the said Act is repealed and following is substituted:

14. An expenditure made for purposes of this Act may be paid,

(*a*) in the case of an expenditure for purposes under paragraph 8(1)(*a*), out of the return on investments made out of the Endowment Fund;

(*b*) in the case of an expenditure for purposes under paragraphs 8(1)(*b*) or (*c*), out of any money appropriated by Parliament for the work of the Council in respect of such purposes;

(*c*) in respect of any expenditure for any purpose under this Act, out of money, securities or other property received by the Council by gift, bequest or otherwise, if available for that purpose."

Motion No. 40.

That Bill C-93 be amended by adding immediately after line 28 at page 18 the following new clause:

"47.1 (1) As soon as practicable after the fifth anniversary of the coming into force of section 40, 42 or 47 of this Act or of any provision of the *Canada Council Act* as enacted under section 40, 42 or 47, a comprehensive review of the provisions and operation of the *Canada Council Act* shall be undertaken by such committee of the House of Commons or of both Houses of Parliament as may be designated or established by Parliament for such purpose.

(2) The committee referred to in subsection (1) shall, within a year after a review is undertaken under the subsection or within such further time as Parliament may authorize, submit a report on the review to Parliament including a statement of any changes the committee recommends."

[*English*]

Hon. Frank Oberle (for the Minister of Finance) moved:

Motion No. 38.

That Bill C-93 be amended in Clause 47 by adding immediately after line 26 at page 18 the following:

"47. The said Act is further amended by adding thereto the following section:

22. (1) In the sixth year after the coming into force of this section, the Council shall, in consultation with the artistic and social sciences and humanities research communities, undertake a comprehensive review of the operation of this Act and shall submit a report thereon, including a statement of any changes that the Council would recommend, to the member of the Queen's Privy Council for Canada designated under subsection 21(1) and that member shall forthwith cause the report to be laid before both Houses of Parliament.

(2) The report laid before both Houses of Parliament pursuant to subsection (1) stands permanently referred to such committee of the Senate or of the House of Commons or such joint committee as is designated or established to review matters relating to the arts and to research in the social sciences and humanities."

Mr. de Jong: Mr. Speaker, speaking on behalf of the motion for the amendments that have been moved in my name, let me at the outset point out to the House that we have worked very closely with the Liberal Party as well.

The amendments that stand in my name that were dealt with in the legislative committee that considered Bill C-93 I suggest and suspect represent the feelings and the thinking of a lot of members in this House from all parties.

Basically what does it do? What my amendments ask for is that part III of Bill C-93 be dropped entirely. This is the part that attempts to fold the Social Sciences and the Humanities Research Council and the International Cultural Program into an expanded new entity consisting mainly of the Canada Council.

We heard in committees members of the academic community, the arts community, the research community, university administrators, the Canadian Association of University Teachers, the whole academic, research and arts community of this country totally and unanimously condemning this section of Bill C–93.

As well in committee we heard from members of the Treasury Board, the finance department and even from the PCO that there will be no savings at all in this measure. If anything it is going to cost the government money.

Here we have another example of where in the name of deficit reduction the government is actually going to increase its deficit. Here we have an instance in which the government claims it is going to increase efficiencies. We have the officials of Treasury Board, the finance department and PCO admitting that it is not going to increase efficiencies. In fact what we hear from the academic community and arts community is that it is already creating increased inefficiencies.

The attempts to bring the people who work in SSHRC and in the International Cultural Programs into the Canada Council is causing a whole host of problems. There are financial costs and personal costs. This makes no rational sense whatsoever and government members know it.

They say it is to increase efficiencies. Let us have a look. The Social Sciences and the Humanities Research Council administrative cost in 1978–79 was 13.1 per cent. Now it is 8.7 per cent. Great efficiencies.

What else does this motion do? Without any prior consultation with the academic community, the Social Sciences and Humanities Research Council and other research bodies, absolutely no consultation whatsoever, a small group of bureaucrats decided that they were going to unilaterally move the clock back.

Up until 1978 the Social Sciences and Humanities Research Council was part of the Canada Council. The Lamontagne committee report on sciences in this country still stands out as one of the best reports ever produced on science policy. It recommended that the Social Sciences and the Humanities Research Council be recognized as a separate entity to receive funding for research. It was important to the social sciences and to the humanities to be recognized as a body of scientific research, that it was a legitimate forum of scientific research on its own, that it was not part of the arts but that it was a scientific research entity on its own.

• (1210)

When SSHRC was separated from the Canada Council it was an important and fundamental recognition for the social sciences and the humanities. This government, through the actions of a few bureaucrats, has decided that this is now not the case and it is going to roll the social sciences and the humanities right back into the Canada Council. The arrogance of it.

It is the arbitrary nature of this that is the most disturbing of all. What is happening to democracy here? In committee I kept asking why the government was doing this. I kept asking government people and bureaucrats from the departments why they were doing this. Nobody was able to come up with a rational answer in front of the committee. I suspect the government is doing it for entirely political reasons. It wants to show the right wing nuts in the Reform Party that it is macho and tough and that it is cleaning up government when in fact it is doing the opposite.

What has happened to the whole notion of rational policy making? What has happened to the whole notion of appropriate and intelligent actions? When you are attempting to reduce the deficit and increase efficiency the first step is to study the situation, consult and then take appropriate common sense actions. In this case of course none of this occurred.

In the leadership race for the Conservative Party we hear all of the contenders talk about the new type of politics, the politics of inclusion and politics that allow ordinary members of Parliament to function more independently and effectively in committee. Here is the test. I challenge all of those leadership contenders and their supporters to stand up in this House today and vote against part III of Bill C–93 because it is not the politics of inclusion. It is arbitrary politics. It is politics that has totally upset all of the researchers and social scientists across this country for no valid reason whatsoever. There are no savings, there is no inclusion and there is of course no consultation.

If the government is going to have the new politics then let us see it demonstrate it today. Otherwise those members who talk about new politics, aspiring to be leader of their party, will demonstrate clearly that all they are talking about is a bunch of smoke and mirrors and that they have no intention and no idea what real, new, inclusive politics is all about.

What we are finding is an abuse of power and macho politics, the worst type of politics that the people of this country are sick and tired of.

I and most Canadians assume that six months from now this group will be gone and that the arbitrariness of this government will be gone. I would suggest to all those who are responsible for implementing part III of Bill C-93 treat this as an academic theoretical exercise, that they keep track of where every desk, file, typewriter and computer comes from so that when the political reality of this country is changed in six months we can unscramble what is being done today and we can restore the Social Sciences and the Humanities Research Council to its proper role as a separate, scientific organization administering itself on its own so that the international cultural program can again be put back in external affairs where it properly belongs. Let me advise all those who are in charge of implementing this policy that it is not going to be a policy that will last for more than six months. Both the Liberal Party and the New Democratic Party are on the record as being committed to restoring the Social Sciences and Humanities Research Council of Canada and the International Cultural Program back to where they are now.

• (1215)

Let it be a suggestion to all those involved in implementing Bill C-98, part III, to do it with a fair amount of care and to keep track of where everything has come from so that we can unscramble this mess that this government has created in the most efficient way possible.

I make an appeal to government members who do believe in the politics of inclusion, who do believe not in arbitrary government bureaucratic action but action based on consultation and common sense, to stand up for those principles in the House and vote in favour of the amendments I have introduced today.

Mr. Duhamel: Mr. Speaker, I want to commend my colleague for his address that I thought to be very thoughtful and in fact very useful.

I had considered motions to rescind, which means having the whole section deleted. It may be of interest to know and I certainly will not put the finger on anyone but at one particular point in time we entered into discussions with members of the government side who understood how vulnerable they were and how badly the work had been done here. There was the fact that there were no studies or consultation, there would not be any money saved and there would be no increased efficiency or effectiveness.

We thought there was an opening or a possibility that we might co-operatively work together to rescind that particular section of the bill. It was coming along well but the big hand of some particular minister no doubt came down: "No, one must not do that because if one did that then obviously what will those naughty Liberals and New Democrats do next?"

Of course what we would have done next would have been to simply look at the bill in an objective kind of way to try to determine if there was something worth saving. I was hopeful on that particular day that we might have had an agreement so that we might have been able to rescind that.

[*Translation*]

I had high hopes, when I saw some members who are experts on the subject, that we would be able to rescind this section.

[*English*]

Unfortunately it was not possible. I deplore the fact, as do my colleagues, that there was no consultation. None. Can one imagine? We are talking about all of these national organizations that are staffed with some of the finest people in the land and that represent some of the major groups who keep this country together and make it work. There was no consultation. There were no studies to show that what the government was contending would save money. Can one imagine that? There were no studies to show increased effectiveness or efficiency. Can one imagine that?

I cannot believe that a government would be so insensitive, that it would be so gauche as they say in French.

[*Translation*]

I think that is a very apt expression. It made a monumental mistake with this bill, and it will pay a very high price for doing so. My hon. colleagues know it is too late. The government had its chance. If it had been willing to rescind this section, it would have been perceived as a government that can listen. However, because it was uncomfortable about the whole thing, it said to itself that it would go ahead, even if it was a bad bill. Well it will pay the price.

There is another point I would like to make, and I want my hon. colleagues to listen very carefully. Just try and find someone who represents these agencies, someone who has credibility, who will tell the government:

[*English*]

"We think that this merger is a great idea". Find one credible individual. We heard testimony from the Canadian Association of University Teachers, the Association of Universities and Colleges of Canada, social scientists and the Canada Council, et cetera. There was not one individual who thought this was a good idea.

In fact the government was so badly prepared that it was embarrassing. It was even embarrassing for me as a member of the opposition who normally likes to see the government get what it deserves, particularly when it has done a shoddy job.

• (1220)

It was so bad that I wanted to say to people: "Please back off". It cannot find one single person in the whole land who would say: "This is a good idea". That is how bad this project really is.

What were these people asking? Were they saying: "Stop it."? No, they were making a very reasoned response. They said: "Delay the decision. Defer that decision. You do not have to stop what you are doing if after consultation and after study you still believe that this is a good decision. However, please consult, study and reflect and then make your decision".

What an approach.

[*Translation*]

I would have thought that the government would welcome this proposal with open arms.

[*English*]

Therefore, that is why I am really quite disappointed today. I think my colleague's motions to rescind, obviously, would have been the best. I had hoped as I said earlier that this would have been possible. Unfortunately it is not. The government has chosen to go forward in spite of all the evidence that this is going to go down in the history of this Parliament as one of the worst, if not the worst blunder ever made by this government.

[*Translation*]

I never thought this government would have been so shortsighted, so clumsy that it would have stumbled so badly.

[*English*]

Once again I want to extend a word of appreciation to those brave civil servants who went out knowing that there was nothing there to protect. They knew there was nothing there to protect.

There are the politicians who still today in spite of the evidence will stand up for the government. If nothing else, there is loyalty there.

I have to tell you, Mr. Speaker, and I think you will agree with me, that loyalty without reflection and common sense is extremely dangerous. This is what we are faced with today.

[*Translation*]

This is a bill that should be withdrawn altogether and completely revamped, instead of being pushed ahead regardless of the consequences.

[*English*]

I am sorry that this is happening. In fact we could all redeem ourselves if we were to say that this series of amendments makes so much sense that we are going to accept them. I see a smile on the face of one of my colleagues. We could set aside partisan politics, study this and then decide what is the right thing to do.

[*Translation*]

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr Speaker, I welcome the oportunity to join the debate at report stage on Bill C-93.

Since the bill was reported back to the House on February 25th, the government has had the opportunity to reflect on a number of additional proposals which members opposite have put forward and has also observed the need for certain technical amendments to facilitate implementation of the bill at the appropriate time.

I will be dealing with these matters in detail in a few moments. First, Mr. Speaker, I want to deal with some of the mischief which has resulted from the efforts of my friends opposite in the legislative committee and the subsequent media coverage and editorials.

The opposition has tried, I believe, to characterize Bill C-93 as a smoke and mirrors exercise, not worth the candle from the perspective of the small savings it will generate over time. In this regard, a significant amount of their efforts and the media follow-up have been focused on part III of the bill, the proposed establishment of a reconstituted Canada Council for the arts and for research in the social sciences and the humanities.

In the legislative committee the hon. member for Mount Royal adduced a February 20, 1992 Treasury Board document dealing with forecasts of savings related to the wind-up and merger measures announced in the February 1992 budget. The reference to dollar savings for a "new single cultural agency" showed a figure of zero for 1992-93 and the four outlying years.

This document was also included in the public submission to the legislative committee from one of the cultural organizations which testified on February 22, 1992. Although officials attempted to explain that this figure merely represented the fact that no firm targets for savings here had been established, my friends opposite have been successful in persuading the press at least that the figure means that no savings would result and that the merger is therefore not a sensible idea.

• (1225)

It must be said that before 1974 these two bodies were combined. The government in the 1974 Speech from the Throne announced the creation of two new granting councils: the Social Sciences and Humanities Research Council, separate from the Canada Council, and the Natural Sciences and Engineering Research Council, separate from the National Research Council.

It is interesting to review this development because the split between the Canada Council and SSHRC in 1978 was criticized for mostly the same reasons for which the merger is now under attack.

There were concerns about the independence of the new council, dissatisfaction with administrative costs related to the separation, anxiety over inadequate funding and nervousness about the impact on the humanities.

In fact at second reading in the other place, Senator Hicks said, and I quote: "I am very much concerned that this bill, rather than helping the problem of underfunding, will only add to the administrative costs and diminish the sums of money that may be available to carry out the purposes for which the councils are being created".

I believe he was right, since the information on hand indicate that the administrative rate of this body increased by 200 per cent between 1978 and 1992.

I would remind the House that part III of Bill C-93 proposes to consolidate three existing organizations with a combined annual appropriation for fiscal year 1993-94 of $217 million and a combined administrative overhead of about $35 million.

You will appreciate that with an undertaking of this size it is difficult to be precise in anticipating savings over four or five years. This merger is unlike that of smaller agencies in the bill where the smaller size of those entities makes it possible to be more definitive.

Nevertheless, I am pleased to advise the House today that once the transition to the new organization is complete, it will result in ongoing annual savings of about $5 million, probably as early as in the third year of operation of the new Canada Council for the arts and for research in the social sciences and humanities.

As announced by the Canada Council in its March 13, 1993 press release, the Council will be undertaking as part of its strategic planning process a comprehensive organizational and program review in order to increase administrative savings through a streamlined program structure, simpler procedures and reporting obligations and more flexible financial management primarily through the creation of a multi-year assessment and funding process.

In general terms, we would expect savings to result from colocation with the use of less space at lower costs, from grants awarded on a three-year basis rather than annually, from the reduced costs of the combined council and from streamlining of the financial, personnel and information systems.

There will be some technological improvements to data bases and we expect that some functions might be cheaper to perform in-house which are currently contracted out.

Allow me to comment briefly on Motion No. 40 tabled by my colleague from the opposition.

• (1230)

Of all these amendments to part III of Bill C-93, Motion No. 40 is the one which the government is most ready to accept the spirit of. It is desirable to provide for a review of the new council's activities after a reasonable period of transition and stabilization. On the other hand, the government believes that a mandatory legislative review of the new council by Parliament at a prescribed date in five years is not necessary. In fact, such a review might not be appropriate for the government in place then, which will have its own agenda and which will have to face the pressing issues that the future may hold.

For this reason, the government proposed instead Motion No. 38, which provides for a review during the sixth year of activity of the council. This review would be conducted by the council itself in consultation with the concerned communities and would be independent of Parliament's activities, albeit in conjunction with the latter. The results of these reviews would be presented in reports tabled before Parliament, which would follow up on these as it would please. For these reasons I sincerely hope the hon. member who tabled Motion No. 40 will take into account the government's motion and withdraw his own motion.

In conclusion, it is important to remind ourselves that we are dealing at present with an established Crown corporation and that will be the organizational form of the new council once Bill C-93 is adopted. Therefore it is not for me or for the government to tell you precisely how these savings will be realized.

Indeed it would be inappropriate for me to venture to do so if we are to respect the arm's length relationship to the government that Crown corporations enjoy. Suffice it to say, management has given us its best forecast of the prospects for savings at this early stage of the reintegration.

We on this side of the House accept that. It will be up to the board of directors and management of the new council to determine precisely how these savings will be realized. However, I do think that roughly $5 million annually is a significant amount of money to be generated from a government streamlining measure.

I hope that will put an end to the line of nonsense my friends opposite have been spouting that there are no savings to be achieved from part III of Bill C-93.

In concluding, I must deplore the fact that my colleagues from the opposition, both Liberals and New Democrats, show so little concern for a healthy management of public funds and the fact that we can make relatively important savings for Canadians who these days must make their own budgets and constantly try to make ends meet. In that context, $5 million is an important amount.

[*English*]

Mr. de Jong: Point of order, Mr. Speaker. We just heard the government member make all sorts of claims in this House about savings. We also heard him say that the administrative costs for one of the agencies went up some 200 per cent. I heard him say this measure is going to save $6 million. Later I heard him say it is going to save $5 million. He is referring to figures and studies that we as members of Parliament do not have access to.

Is the hon. member prepared to table before this House any studies whatsoever that he or the government has that show any savings?

[*Translation*]

The Acting Speaker (Mr. DeBlois): To my knowledge, the member did not read a document here in the House. Therefore I am rather puzzled by the member's request. I do not believe that his request is in order. In any event, this is not a point of order but a matter of debate on which opinions may differ.

• (1235)

[*English*]

Mr. de Jong: Mr. Speaker, am I correct in assuming that since the hon. member did not quote, the figures he introduced in the House are unsubstantiated?

The Acting Speaker (Mr. DeBlois): I think it is a matter of debate and not a point of order.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to address the interesting remarks made by the parliamentary secretary. I want to thank my colleague, the member for Regina—Qu'Appelle, who noted the interesting group of figures presented in this very emotional and historical recall of the history of the Social Sciences and Humanities Council and Canada Council, forgetting the fact that when they were brought together it was not an harmonious marriage. That particular relationship could not even be saved through marriage counselling. Two mismatched organisms had been brought together, so the divorce took place. Then the forced remarriage was brought about by this government through poor rationale and reasoning. Part of that poor reasoning was the supposed saving of money.

There were never any new facts brought into those committees for which I did not have documentation. I wish I had the documentation here in the House to refute those kinds of observations as I did in committee. I was quite fascinated to see that the documents which had been received at that time through access to information did not seem to stun the bureaucrats who were in the committee at that time. If the various groups who were concerned with this particular matter reacted and accepted the materials which I tabled in committee it is because the source seemed to have been right.

They say they bought my information. I am sure the members of the Canadian Federation for the Humanities looked into it. I know that various other groups examined it very carefully. I have before me a press release from the Canadian Federation for the Humanities that was released on February 17 1993. It stated: "For a year we have been led to believe that the government's decision to collapse the Social Sciences and Humanities Research Council into the Canada Council had everything to do with a desire to save taxpayers' dollars. This merger, we have been told again and again, is a necessary part of the streamlining of 46 federal agencies that will net the taxpayers $22 million annually".

I talked to the few mergers that were intelligent in there, on copyright and other issues, but most of them were very poorly thought through. The first 20 amendments that were debated earlier today are a perfect example of the ACOA situation. Certainly the amendments my colleagues, the member for St. Boniface and the member for Regina—Qu'Appelle, have brought in here add to the intelligence of the need for some change.

Dr. Robert Nadeau says, and I quote: "This is ludicrous. It has become clear to us that the Canada Council merger saves us no money at all. The only saving indicated in the document dated February 20, 1992 is a minuscule 10 person-years. The government's decision to throw research in the humanities and social sciences into the chaos of wholesale reorganization for the sake of 10 person-years in our view is completely irresponsible". If the government is trying to tell me that by putting these three groups together it is going to save $5 million on 10 person-years, I would like to know what kind of salaries it is referring to.

"The deficit made us do it" is the other thing the government has been saying in its defence from the start. Now it is perfectly clear that the government embarked on the SSHRC and Canada Council merger with absolutely no concern for either real savings or real cost to the taxpayers. We already have the lean, mean machine the government says it is busy creating. It is really taking it apart. The Canadian Federation for the Humanities urges the government to excise part III of Bill C-93 presently being studied and now before the House because the merger does not save money. It is likely to waste both time and money and should not be part of this bill at all.

• (1240)

I remind this House that I put a motion before this House on December 4, 1992 which would have suspended this bill. It would have read that an act to implement certain government organization provisions be not read now a second time but be read a second time six months hence. That was defeated by this government. It was a votable motion and this government did not care

to listen. This is the government that says we must be more caring, more concerned and listen to the people. It did not consult with Canada Council. It stripped, cut and hurt Canada Council and paid no attention to the needs of the artists. It actually has shown little concern for the fact that this is one of the most fundamental organizations we have in Canada. Its financial clout has been able to develop cultural activity and growth in Canada.

I suppose that is not of interest because certainly this government's rhetoric has been displaced by the kind of cuts it has administered to Canada Council. It was not interested in the Canada Council's side and it certainly was not interested in the science and humanities research side because if it was, it would not be cutting this right now. It would be doing everything in its power to find answers to what is going on in Montreal, for example. It would be looking at the questions of the fundamental problems with employment, schools and the drop-out rate of our children out of high school.

It would be looking at the reasons why people now have to use food banks and why youth are sleeping in the streets. That is the kind of research it could be doing. It could be coming up with some creative answers in terms of the debt, deficit and the other balance on the scale; fair, proper, social policies that could answer the crying needs of the everyday people out there, not the people who have been designing these disastrous kinds of policies that are of no avail to either the Science and Research Council or Canada Council.

I asked for a six-month hoist to give the government the opportunity to consult which it did not do. Now the government has the nerve to come in here and say I misquoted certain facts and information in committee. It said it is going to save $6 million and then it is going to save $5 million—a little correction in the middle of the text. It is going to be done in five years—no, now it is going to be done in three years. Then the government praises the Science Council because it is going to do some very careful and creative work to make this merger a far less costly organization, administratively. It talked about $217 million and the potential for saving $35 million in its operation.

The Canada Council has no choice because the government has cut its grants. What do you expect it to do? It has to chop, chop, chop. It does not know where the budget is coming from or what the extent of the budget really is. It only knows this government is not committed to the well-being of the scientists and the research that needs to be done. It is not committed to supporting the arts and artists. It would be best if this section were totally removed—that would be the real world. That is what I expected the government would do if it had put this aside for six months and consulted, which it did not do.

[*Translation*]

Stubborn as the government is, it continues on the road to ruin. I believe it is a mistake, a serious mistake. The comments and options put forward by the member for Regina are very sensible. I was hoping that the government would listen but unfortunately I do not believe that it did.

[*English*]

With respect to the sunset clause which was referred to, I asked for a sunset clause. I am delighted that my colleague, the member from Winnipeg, placed a sunset clause in for debate. If the minister feels his sunset clause at six years is better than our sunset clause at five years, I will leave it to discussion around this table on the floor when we get to my colleague's Motion No. 40. Then we will look at which is the better option; six and five, yes or no. It is a matter of at least going back with a sunset clause because this is a ridiculous motion in the first place.

• (1245)

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I am pleased to have this opportunity to speak on behalf of the amendments put forward by my colleague, the member for St. Boniface.

I think it should be stressed here this morning that I think the government is in error by not going along with the suggestions that are being made. What we want here is the best result possible. There are some things that have more or less fallen between the stools as far as this legislation is concerned that could be corrected.

As I said earlier, I am opposed to the doing away of the Enterprise Cape Breton Corporation. However, leaving that argument aside, I want to see some areas that are strengthened here.

One thing that bothers me and has obviously bothered the member for St. Boniface is that the Social Sciences and Humanities Research Council is going to be losing its designation. That is why he made Motion No. 24. He is suggesting that the name of the organization to be created not just be the Canada Council but be known as the Arts and Social Sciences and Humanities Research Council of Canada. It is important to have this designation so we can indicate to people that we have an organization whose activities are reflected in the name. To do otherwise really gives short shrift to the arts and social sciences and to the humanities. I think this can be corrected by changing the name as suggested by the member for St. Boniface in Motion No. 24.

I also think it is important to look at the composition of the board of directors. The board of directors, according to this legislation, really does not have to have its membership from any particular designation of the sphere of influence that this board is to oversee. All the members could be from one area as opposed to another area. There could be those from the arts but not enough from the social sciences or the humanities. I think there should be something in this bill that designates that all of the spheres of influence of this new board are to be represented properly by adequate representation on the board of directors. These people should not be political patronage appointments by the government. They should be people with the proper, requisite knowledge to do the job that is required to be done.

I think we have a tremendous record in this country in the area that is going to be taken on by this new board. The fact that they have a tremendous history to live up to is going to require them to have the proper representation.

It is also important that the areas involved be reflected. In these various areas of the arts, social sciences and humanities, the only way we can show appreciation and convince the Canadian people that each area is getting the proper attention is by giving each the proper representation on the board of directors.

It has been very short-sighted of the government to say that the funding for this board will be reflected in one vote. I think that is wrong. I think what we are doing is really cutting the legs out from underneath this board by doing that. I think the government, upon reflection, would have to agree to this. For the sake of a minor change, frankly, we can have the proper accountability, the proper reflection of the activities of this board by saying that instead of the one vote there would be three votes. There would be a vote for the social sciences, a second vote for the arts and a third vote for administration. I think it is in the interest of all members of the House, certainly in all the areas and spheres of influence reflected by this new organization, that the actual allotting of financing be reflected properly. I ask the government to consider that very carefully.

• (1250)

I think the member for St. Boniface has made an excellent point by saying that we really should not include in this new board the academic relations section of external affairs. This is to me totally incomprehensible. Why would we be bringing this group into this new organization? I do not understand it. Certainly there is no cost saving involved. In fact, there may be additional expenditures as a result. We are talking about Canadian students studying abroad. We are talking about foreign students studying in Canada.

With the present arrangement, when they are part of external affairs these students have the whole department as a support system. They have External Affairs representation in various countries, embassies, consulates and so on. They also have the proper representation that can link very well with this particular section. To say that foreign students will be now in a separate body apart from the rest of external affairs is counterproductive. I think this should be changed and I would ask the government to reconsider this and leave the academic relations section with external affairs.

I also want to mention Motion No. 40 with respect to the review. The previous speaker already mentioned that. I think the government's acknowledgement that a review is necessary is correct. I think the proposal in the suggested amendment by the member for St. Boniface is much superior to what the government is suggesting. The reason I say this is that Motion No. 40 put forward by the member for St. Boniface gives the provision teeth. It says that the review is to be conducted every five years, but the review is to be conducted by Parliament and the study goes back to Parliament for decision making.

I think that is vital because it involves Parliament in the whole process. I think that is certainly what the component parts of the new organization would want. I think that is what Canadians want.

We are talking about an organization that is part of the fibre of our country. I think that if we are going to make these changes then we should make the changes as meaningful as possible. We should reflect the component parts as much as possible and we should allow Parliament to have the input that it needs. Do not forget for a moment of course that Parliament represents every part of this country. We want to make sure that every part of this country has its views and its aspirations reflected in this new organization. Therefore, I think the review by Parliament is very important.

This is too important an area to let go and just to pass over. I want to ask the government to give very strong consideration to those amendments made by the member for St. Boniface because I think they will greatly strengthen what is intended.

• (1255)

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, rather than split my intervention into two, four and six minutes you might find consent to recognize it as one o'clock.

[*Translation*]

The Acting Speaker (Mr. DeBlois): If I understand correctly, the member is asking the Chair not to notice when it is one o'clock. Is there agreement with that?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): Then the hon. member for Saskatoon—Humboldt has up to 10 minutes.

[*English*]

Mr. Hovdebo: Mr. Speaker, the essence of democracy is that a government governs with the consent of the governed.

We have just had a dissertation by the member for Terrebonne which indicates that that is the least concern of this particular government at this time. None of the points that he put forward had anything to do with the people who are involved with the Canada Council and the humanities, arts and social sciences areas and do not have any real impact on these decisions.

In other words there was no consultation of any kind as far as the governed were concerned. These are the people who are going to be affected most. In other words democracy is the least worry of this particular government at this particular time. Maybe it is because it is just going into an election and it does not expect to be here after the election.

The essence of democracy is the consent of the governed. There has been no consent of anybody who is involved in these particular changes.

The essence of the amendments that we are debating today concerns something that the Canada Council people, the university people and the academics asked this government to look at. It is for the whole of part III to be dropped in its entirety.

They used as part of their argument for the dropping of Part III the fact that within the information provided to the committee and to the arts group that there were no savings except for 10 members of the government who probably would not lose their jobs anyway and who would be moved some place else. There would be no actual savings in the operation of the two councils if they are merged into one.

In the process of looking at these changes, there is no efficiency being indicated at all and there was no consultation with any of the bodies affected.

It has come to the point where I do not know why the government party which calls itself the Progressive Conservative Party does not delete the "Progressive" from its name. That is because what they are actually doing here is going back to what they had before 1978. The decision to change the council into two councils is a regressive move.

Consequently, I never did understand what Progressive Conservative meant. I think probably we should say once more—as my colleague here from the Liberal Party suggests—that we should change the name to the Regressive Conservative Party because that is what the party seems to be doing in this particular operation.

There was no consultation. In fact there was probably exclusion. There was no discussion on the changes that were going to be made in this by Part III of this act.

• (1300)

We recognize that after eight years in power the government is a little hesitant about using consultation. It has given consultation a bad name. It pretends it is going to consult, calls people together, seems to listen and then goes its own way.

That is the kind of consultation it has been carrying on. I suppose maybe we should not blame it for not having consultation in this instance. Nobody believes that any consultation this government has done in the last few years has been of any value to the people who are being governed by its changes.

I can give you specific examples of consultation which has not been to the benefit of the people who are being governed. We have had thousands of hours of consultation relative to agriculture. None of that was taken into consideration when the decisions were made in agriculture. The decisions were made by the bureaucrats and in some cases by the members opposite.

The same thing is happening right now in development. The minister of development is here at the moment. There are a lot of changes being made in development that have nothing to do with the people who are being governed, the people of Canada.

We should be following the recommendations that have been made by the people who are most affected and not disorganising the provision of grants or the process by which we support research, the arts and so on in Canada.

We should look at part III, eliminate it and do a very basic and thorough study of what is necessary to perhaps save more money than we are now. The essence of democracy is only democracy if it happens with the consent of the governed.

I want to spend a couple of moments putting before this House some of the feelings of the people who are most affected by part III of Bill C-93.

For instance, the Canadian Association of University Teachers says that no prior consultation with any of the SSHRC's stakeholders was conducted and no convincing rationale has ever been offered for this measure.

It goes on to say:

> All that is being offered to date is a promise that the merger would be conducted among equal partners in a wholly new agency so as to ensure that the federal support for research in the social sciences and humanities would remain independent.
>
> That is only a promise which none of the people involved really believe. It did not work before 1978 when these two agencies were separate and it is unlikely to work well in the future.

A second group is the federation representing the social sciences. It said almost the same thing:

> After having carefully studied the proposed legislation, we remain very concerned about the future of social sciences in this country.

Again, there was no consent from or consultation with those people who are being governed.

The Association of Universities and Colleges of Canada and the university teachers said:

> Lumping the social sciences and humanities with the arts does not make much sense.

They show how ridiculous it is to be regressive and go back to before 1978 without having a plan that is going to work and without saving any money. They go on to provide several quite workable alternatives which should be used instead of putting part III through.

This is an attack on the very essence of democracy. By going through with part III of Bill C-93, the government is not allowing the people who are most affected to have a say in the legislation which is going to be passed in this House.

[*Translation*]

Mr. Robitaille: I rise on a point of order, I will be brief, Mr. Speaker. Further to my statement on information about potential savings of $5 million, which members wanted to find out more about, let me give some details for the benefit of this House. This information on the potential savings was provided by Canada Council management in discussions with Treasury Board. At this preliminary stage of the merger—

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member, but the only request from the member for Regina—Qu'Appelle was to produce a document if one exists. Does the hon. member have a document to table?

Mr. Robitaille: Mr. Speaker, if you give me the opportunity, I will conclude very shortly.

These estimates made by management are based on the 10 per cent cuts that the Canada Council made further to the last budget. What I could table in the House is the official press release setting forth the policies under which Canada Council management can give the approximate figure of $5 million.

[*English*]

The Acting Speaker (Mr. DeBlois): It being 1.08 p.m., I do now leave the chair until two o'clock p.m., pursuant to Standing Order 24(2).

The House took recess at 1.08 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

PARLIAMENTARY REFORM

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I have looked at the proposals for parliamentary reform made by the Minister of National Defence in her bid for the Progressive Conservative leadership. What is striking about the proposals is not the proposals themselves but rather that the minister's so-called new politics represents one more instance of people laying claim to certain ideas, such as more free votes among other things, as if they were the first to ever suggest them.

The minister has borrowed without attribution from a recent report of the Standing Committee on House Management, just as the Liberals borrowed without attribution in January from a subcommittee of that same committee, just as the government copy-catted the Reform Party on free votes in its throne speech of 1991, and just as the Reform Party pretended that more free votes was somehow its idea.

The fact is that in recent history the idea of more free votes in Parliament was made in 1985 by the McGrath committee, and was advanced even earlier than that by members like myself when we were considering the LeFebvre report on changes to Parliament.

This is just a little history lesson for the candidates and any other pretenders to reform who do not have the decency to footnote their work.

* * *

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, on April 17, 1993 the newspaper *Les Affaires* published an article entitled: "The regions' autonomy arrives in the nick of time".

According to that article and to an interview with the federal minister responsible for regional development in Quebec, Mr. Benoît Bouchard, Ottawa supported an impressive number of initiatives between 1988 and 1992. Mr. Bouchard was particularly proud to say that the contributions of his government to projects in Quebec amounted to $5 billion. "When we can clearly define the roles and give detailed explanations on the approach we want to follow, people are impressed" said Mr. Bouchard.

Mr. Speaker, hon. members of this House, Abitibians, I am proud of Benoît Bouchard's work. As he said: "The federal government delivered the goods".

In the name of all the people of Abitibi, I wish to thank him sincerely for the great support he gave Abitibians in the promotion of their regional development projects.

* * *

[*English*]

TAXATION

Mr. Joe McGuire (Egmont): Mr. Speaker, it is both tax time and budget time again. I want to call the attention of the Minister of Finance and the Minister of National Revenue to an area of injustice in the tax system.

One of my constituents writes:

Many women (and some men) across this country, who are custodial parents following marital breakdown, are required by law to report receipt of child support payments as income and then pay taxes on this money.

In my opinion child support payments are not income but rather reimbursements for expenses incurred in raising children.

She goes on to say:

I receive what I consider to be a fair amount of money as child support but in reviewing my income tax returns for the past two years that I have been a single parent, I realize, with horror, that over 40 per cent of what I receive has been lost to me through increased income tax and lost child tax credit.

Without having expressly addressed the question of deductibility of the support payments from the payers' income, I contend that taxing the custodial parent is a major cause of single parent poverty and contributes to the hunger and misery of thousands of children in a country that is relatively affluent.

With a view to the upcoming budget I ask the ministers involved to review this piece of oppressive tax legislation which so viciously discriminates against the custodial parent in a broken marriage situation.

* * *

NATIONAL ORGAN DONOR AWARENESS WEEK

Mr. Stan Wilbee (Delta): Mr. Speaker, it is my pleasure to remind members of the House that April 18 to 24 is National Organ Donor Awareness Week.

Professional and voluntary organizations encourage families to discuss and make a decision about organ donation before a tragedy occurs, and urge health professionals to examine how they might participate in the organ donation process.

I invite Canadians everywhere to consider organ donation and to sign a donor card or the consent portion of their driver's licence if they have not already done so. Decisions should be discussed with family and friends so that in the event of death the potential donor's wishes will be followed.

By doing this we can all give, and encourage others to give, the most valuable gift of all, the gift of life.

I wish everyone involved with National Organ Donor Awareness Week a very successful event.

S. O. 31

OFFICIAL LANGUAGES ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, time and time again we are reminded that the federal agencies and departments are not respecting the Official Languages Act. Twenty-four years after the adoption of this law minorities must still fight for their rights in provinces and in the federal government.

Recently the Canada Labour Relations Board issued an important decision in French only, failing to provide English translation until days later for anglophone workers in Labrador who were most seriously affected by this decision.

• (1405)

Such an action by any federal body is unacceptable. The Conservative government should put its foot down and ensure that all federal agencies and departments respect the rights given to official language minorities to have this federal government serve them in their language.

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AIRLINE INDUSTRY

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the financial returns for Air Canada and Canadian Airlines each show massive losses for the last fiscal years and there is no indication that either of these airline companies have done anything in a structural way to change their impossible red-ink balance sheets.

The minister knows there is far too much air service available in Canada and the current competitive nature of service means that neither airline can make a profit from their monopoly of Canadian airspace.

If we are going to have in effect a monopoly arrangement in Canadian airspace with all of the flight patterns between Canadian cities controlled in favour of Canadian Airlines and/or Air Canada then surely the minister has an obligation to ration service so the carriers do not destroy themselves in stupid competition.

Viable Canadian-owned air carriers are important to Canada's long-term well-being.

S. O. 31

SOUTH AFRICA

Mrs. Christine Stewart (Northumberland): Mr. Speaker, the recent tragic death of well-known South African activist Chris Hani has sparked a new round of violence that threatens to undermine the struggle of the people of South Africa to end apartheid.

The continued violence, which has resulted in further loss of human life, must not be allowed to escalate. The government of Mr. de Klerk must thwart the efforts of those who wish to sabotage the forces of democracy and he must take the responsibility of finding ways to rekindle the positive attitudes that seemed to characterize events just a few weeks ago.

The relatively peaceful environment on the occasion of Mr. Hani's funeral was a tribute to his calls for peace and his commitment to negotiate a change. The majority of South Africans want peace and full democracy, and a majority of South African people want to create a better South Africa for all.

We in Canada must do all we can to support both those in government and opposition.

It is right that existing sanctions be continued until irreversible steps to the democratization of South Africa are taken. We recognize that the challenges are great but the opportunities and rewards for peaceful reform in South Africa are greater.

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FISHERIES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, last Friday evening I attended a meeting of some 150 part-time fishermen organized by the South Shore Independent Fishermen's Association. These fishermen fear that DFO's stated intention with respect to the definition of professional fishermen will exclude them even though some of them have been fishing for over 40 years.

They recognize the need to reduce the groundfish harvesting capacity of the Scotia-Fundy region. What they do not understand, and with some reason it seems to me, is why they who harvest only 1 per cent of the available resource have apparently been targeted for elimination.

Since they have not been the source of the problem why should their elimination be deemed to be the solution? DFO has not satisfactorily answered this question.

If the status or future of part-time fishermen is to be altered in any way there must be full and thorough consultation with those to be affected. To date that has not happened.

* * *

SOUTH AFRICA

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, South Africans continue to mourn the brutal murder of Chris Hani, a respected leader and official of the African National Congress and the South African Communist Party.

Mr. Hani was one of the most vigorous opponents of the racist system of apartheid, fighting it from exile for three decades.

More recently he placed his faith in a shared future for all South Africans and worked in favour of a negotiated settlement. His assassination is one more senseless and tragic loss of life in a country where a whole generation of black leaders has been lost to violence.

His murder sparked widespread violence and rioting among South Africans and the fallout could threaten the process of reform.

I urge the Canadian government to make a strong statement condemning the assassination of Chris Hani and all violence in South Africa, particularly the continued activities of the security forces against black South Africans and the rise in white extremist violence.

As well we should urge the Government of South Africa to accelerate the timetable for free and democratic elections in that country.

Finally, I join many Canadians in hoping that the events of the last few weeks will prove to be one of the last times that apartheid claims the lives of the courageous men and women fighting for its disappearance.

On behalf of my colleagues we extend our deep condolences to the family of a true hero, Chris Hani.

• (1410)

[*Translation*]

STATUS OF WOMEN

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, everyone recognizes the important role women's groups and associations play in our society, that is everyone but the conservative government which has cut the Secretary of State women's program funding for several years now, under the guise of austerity measures.

Meanwhile, those who hold the purse strings for this government supposedly elected to stabilize the public finances have provided for an additional $221 million in the last budget for the national defence department.

While the budget of the women's program is being reduced by 10 per cent, the government poor management is costing hundreds of millions of dollars. That is what we were told in November 1992 by the Auditor General.

Although women's groups are asked more and more to help fill the voids left by the state, the government unscrupulously continues to cut their financing.

When will the Conservative government respect the rights of half our population?

* * *

[*English*]

NATIONAL CITIZENSHIP WEEK

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, I would like to congratulate all those who participated in National Citizenship Week.

Last week thousands of people took the oath of citizenship in ceremonies from St. John's to Victoria. Many were Canadians who participated in ceremonies that reaffirmed their Canadian citizenship. Most of these were young people born in Canada, and for them reaffirmation of their citizenship expressed their commitment to Canada.

New Canadians taking the oath took on a new citizenship and also embraced the values that Canadian citizenship represents: freedom, justice and respect for diversity.

National Citizenship Week provides us with the opportunity to take pride in our citizenship and generally take it to heart.

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YOM HASHOAH

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, on Yom Hashoah representatives from Jewish communities around the world, along with many non-Jewish neighbours, marked the 50th anniversary of the Warsaw ghetto uprising. Their horrible memories of this unspeakable moment of history have marked their lives yet their presence bespeaks their final triumph over evil, of survival, and of the continuity of the Jewish people.

The Holocaust was a war of genocide against the Jews. Six million, among them one million children, were murdered by the Nazis or their accomplices for no reason other than the fact of who they were. The uprising exemplified the courage not to submit to Nazi victimization but to live with dignity and fight for life, not to be led like sheep silent to the slaughter.

Their tenacity of spirit was also a form of resistance. The memory of this bravery is scorched on our minds and in our hearts.

Today we must do more than remember. We must take up the challenge to affirm justice and humanity for all people, particularly now in Bosnia. We must assure that the perpetrators of war crimes are brought to justice. Our own progress appears to have faltered. We must redouble our efforts to eliminate the scourge of racism and anti-Semitism from our world.

In so doing the fight to the death for human dignity of the ghetto fighters will not have been in vain.

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YUKON

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I rise today to pay tribute to Yukon First Nations, successive Yukon territorial governments and all Yukoners who for the past 20 years have worked toward one goal, the passing of the Yukon land claim and self-government legislation.

This is no ordinary achievement. At a time when the world is full of conflict and strife the recent passing of these agreements in the Yukon legislature shows us what

can be done in the name of justice, equality and a better future for all people.

These agreements are the foundation of a new era of co-operation and goodwill, a new era that rejects the inequities of a painful past and a troubled present and holds out hope for a future based on respect.

This is indeed a great achievement that will be celebrated and supported by each member of this House. I therefore call upon this government to introduce this historic legislation in the House of Commons and to ensure its quick passage.

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[*Translation*]

CANADIAN CANCER SOCIETY

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I would like to remind the House that April is Cancer Month.

I think everyone is aware of the devastating impact of cancer in our society. It is not one disease but a group of diseases that have one aspect in common and can affect individuals of all ages, although the elderly are affected to a greater extent.

The Canadian Cancer Society is trying to beat cancer and to improve the quality of life of people with cancer. The society educates the public, creates healthier environments by supporting changes in legislation, provides emotional and practical support for patients and their families and conducts fund-raising campaigns.

• (1415)

We wish the Canadian Cancer Society and its many volunteers every success with their activities during Cancer Month.

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[*English*]

BANKING INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, the government has steadfastly refused to have banks assume their proper responsibility in the national economy.

One of the most often repeated complaints we hear from businesses and the manufacturing, development, construction, restaurant and retail sectors is that despite having been long and loyal customers, now in their moment of greatest need they find they cannot get the time of day from their banks.

During this recession the banks have been holding such a tight grip on credit that they are choking economic growth and job creation. Despite the banks' repeated claims that it is small and medium sized firms which create the bulk of new jobs, according to the Canadian Banking Association less than 25 per cent of business loans go to those firms.

The main banks should not be making small and medium sized businesses pay for their lending mistakes with South America, Campeau and Olympia and York. If the banks remain unwilling to change their practices, as our leader has often urged, it will be incumbent upon Parliament to change the statutes that provide banks with this privileged position in Canadian society so that they too can help Canada back to work.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister.

In a confidential report the IMF told this government that it has to put its finances in order. Earlier today the Minister of Finance said that he agreed with the IMF report. It is something that we have said to this government for years, that it had the wrong priority.

As there is now pressure on the government from outside to have the proper priorities, will the Prime Minister change his mind and cancel this infamous program of buying helicopters that we do not need any more, at all? As a gesture of good will for the nation and to show that he wants to save taxpayers' money, will he cancel his royal trip to Europe where he is going to four capitals to distribute his CV to find a job?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was going to compliment the Leader of the Opposition on his 30 years in Parliament yesterday and tell him that he apparently does not get more elegant as he gets older in his job.

My hon. friend refers to the IMF report which indeed quite properly points to all industrialized governments in regard to making certain that debt is reduced, that deficits to the extent humanly possible are eliminated, that privatizations occur, that interest rates are kept low, and that inflation and productivity are dealt with as well. All of this is further to what we have been seeking to do, and so we take good notice of important reports such as those brought forward by the IMF.

My hon. friend neglected to mention that the same IMF report complimented the federal Government of Canada on its actions to get its finances in order: "The IMF has also said that the restructuring and the fiscal consolidation that Canada is going through have laid the groundwork and the foundation for a solid sustainable recovery". As others have pointed out, in many respects the report is quite complimentary of the efforts made at the federal level.

At an appropriate time the Minister of Finance will bring in another budget that will deal with the matters raised by my hon. friend. Perhaps at that time the Liberal Party will be able to rise, for the first time this session, and vote in support of one measure designed to reduce the deficit.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I asked two questions. I asked the Prime Minister a question about the helicopters and he is still stubbornly refusing to reply to the question. On my second question on cancelling his trip we heard nothing at all.

But it is not only the IMF. The Canadian Conference of Catholic Bishops says that at this time the total number of both unemployed and underemployed in Canada is close to a staggering 3.9 million people.

When will this government reorganize its priorities and rather than spending money the way this government is spending money try to use that money to create jobs for these 3.9 million people who are either unemployed or underemployed in Canada?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend has made quite a leap from the Catholic bishops to the IMF. He will have to let us know which has ecclesiastical dominance in his mind and which deals with the economy.

The same IMF report says directly, and I quote this for my hon. friend: "The foundation has been set for a lasting improvement in Canada's economic performance. Structural reforms and fiscal consolidation efforts at the federal level should sustain a healthy rate of growth once the recovery gains momentum. With the decline in inflation, monetary conditions have eased considerably and are expected to ease further and support the recovery".

Indeed the bank rate dropped 10 basis points today, down to another low level, and it is with low interest rates, low inflation and high investment rates such as were indicated in the IMF report that we are going to create the jobs that all Canadians including the Catholic bishops seem to want.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I fail to see what the Prime Minister has to boast about, after heading a government that in nine years, since 1984, has accumulated $280 billion in debt. He is going to use taxpayers' money to travel around Europe, while one 1.6 million Canadians are looking for jobs and 2.5 million would like to have full-time instead of part-time jobs.

My question for the Prime Minister is this: When will he make decisions that would be welcomed by Canadians, such as cancelling this ridiculous helicopter program and staying in Canada and paying his own way to Europe in July?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition is indignant about the fact that the national debt doubled under the Conservative government. What about a national debt that under his government was multiplied by 11—not by 2, 3, 7 or 10, but 11—as a result of the worst case of mismanagement of the economy in Canada's history. You were Minister of Finance, you were President of the Treasury Board, and your—

Mr. Speaker: The hon. member for LaSalle—Émard.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Prime Minister. Twenty-two per cent of the population of Montreal are living below the poverty line in one of the most industrialized cities in this country. The reason is obvious, Mr. Speaker. According to Canada's bishops, it is because of this government's *laissez-faire* policies. The Prime Minister does not like these references to our bishops, so according to

Quebec's minister of industry, it is because the federal government has no policy for industrial growth. Here is my question: Who is wrong, the bishops and the Government of Quebec, or this government, which refuses to act responsibly?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have no axe to grind with either the Catholic or the Protestant bishops. They are entitled to their opinions. However, I may remind the hon. member that last week the Royal Bank indicated that economic growth in Quebec, starting with Montreal will be the highest in Canada, and that Canada's economic growth will be the highest of any industrialized country in the world.

The hon. member knows perfectly well his party voted against the drug patent legislation that creates thousands of jobs in Montreal. It voted against every plan to create jobs in Montreal. And today he has the nerve to stand up for Montreal's interests. I think he should pay a little more attention to what his own party is doing. Vote for Quebec and Montreal once in a while instead of always voting against Quebec's and Montreal's interests.

• (1425)

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I remember a time when the Prime Minister was more interested in the bishops than in the Royal Bank.

Let me cite from the bishops' proposal for job creation. They do not call just for cutbacks. They call for a comprehensive industrial strategy. They call for the renewal of public infrastructure. They call for research and development to developing industries and they call for enhanced programs for worker retraining.

That is what we on this side of the House have called for. We are proud to stand with the bishops and not the Royal Bank. It is also what millions of Canadians are calling for.

How much more suffering must the Canadian people endure before this government begins to act?

Mr. Chrétien: Repent.

Mr. Harvard: Repent and recant.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend stands with the bishops. We stand with the humble parish priests and the Royal Bank.

Some hon. members: Oh, oh.

Mr. Mulroney: That is just to prove that our tastes are small *c* catholic.

The numbers last month showed an increase of 48,000 new jobs. The numbers today show a decline in the bank rate by another 10 basis points. Inflation is now at its lowest in 30 years.

The Royal Bank and other important institutions indicate that Montreal, Quebec, the province of Quebec, will lead Canada in economic growth next year. It indicates as well that Canada will lead the industrialized countries.

With all the respect that I have for the Catholic bishops and the Anglican bishops and others, these are the realities. Where Canada is making solid progress the IMF says that it is number one in the world in terms of these fundamental growth factors.

I would like to do a little better. Obviously we would appreciate doing better. That might take some help from the Catholic bishops, a little more than we have been able to receive. But we are grateful for them, their advice, their prayers and their help. We look forward to making greater progress as a result of their advice.

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

Although I must say it is interesting that 10 years ago it was former Prime Minister Trudeau who said of the Catholic bishops' statement that they had no business making a statement on this country's affairs, the Liberals seem to have changed their tune.

[*Translation*]

In his document called "Charting the Economic Course", the Minister of Finance stated, and I quote: "In all my pre-budget consultations with Canadians, the main theme has been deficit and debt reduction".

We have also been in touch with the Canadian Labour Congress, anti-poverty organizations and the Canadian Council of Catholic Bishops, and that is not what they told us.

Can the Minister of Finance or his spokesperson tell us who exactly indicated that debt and deficit reduction should be a government priority? Where is this consensus the minister is referring to?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the hon. Leader of the New Democratic Party will be interested to learn that over 90 groups from all walks of life in Canada have submitted briefs.

The Minister of Finance received letters from hundreds and hundreds of Canadians who had specific recommendations for the budget. He has listened to all this advice including the advice from the bishops of Canada. That advice is studied and we will see the results in the budget when the Minister of Finance brings it down later on.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the reality is that there is a huge deficit in Canada. Every party is concerned about that but the discussion is about how we address that.

For millions and millions of Canadians the major deficit in this country is a jobs deficit. Unemployment and poverty continue to cost the Canadian economy $80 billion a year.

• (1430)

The government has said it wants to make cuts. The government has choices. The government can cut corporate Canada's $1 billion business expense deduction. The government can cut offshore interest deductibility for corporations which cost hundreds of millions of dollars to the Canadian economy. The government could have stopped the bill for tax-free family trusts which cost up to $600 million a year. Nowhere in the minister's statement does he suggest these kinds of cuts.

Will the Acting Minister of Finance ask the wealthy and profitable corporations to pay their fair share?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I think the record will show that this government has done a great deal to cut out the loopholes in the tax system, the extras that were allowed to be charged by the previous administration.

When my colleague, the Minister of Industry, Science and Technology, was Minister of Finance, he brought in major changes to the tax system that cut out a lot of those loopholes.

I remind the hon. member, however, that the suggestions she is making today would place our industries in an uncompetitive position with those others that they deal with around the world. We are a trading nation. We must compete on a relatively level playing field with other industries in other countries if we want to remain competitive.

The hon. member's colleagues support the Canadian Restaurant Association. At least they are at its receptions all the time eating its food. Yet they want to wipe out a deduction that is allowed for entertainment expenses which the restaurant association opposes. They cannot have it both ways, although the NDP likes to try.

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

I suggest the minister ask Canadians whether they would rather have first-class universal health care or pay for boxes in the SkyDome, which they think is more important and which choices the government should be making.

To say that family trusts would hurt business in this country is absolutely ludicrous. There are choices that this government can make and there are cuts that this government can make.

The Prime Minister could choose to cut his farewell tour. The government could choose to cut the purchase of $5.8 billion worth of helicopters.

I want to ask a question of the acting finance minister. Over and over the government has chosen the privileged over those who have the least. It has chosen to punish those who have the least over those who have the most. Is the acting minister going to be prepared in the new budget to make sure that everyone pays their fair share and not just those who have the least?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I am sure Bob White would be very interested in the hon. leader's comments on the Dome since he is very involved in the Dome in Toronto. I think the NDP government appointed him president. I am sure he enjoys his box in the SkyDome as well. I am

sorry he has not invited you to a ball game yet. It is good fun there. You should try it some time.

Ms. McLaughlin: I do not ask Canadians to pay my way. I will pay my own way.

Mr. McDermid: The NDP is talking about job creation all the time. Yet it wants us to cancel the helicopter project that is going to create 45,000 man-years of high-tech work in areas in this country that need that type of work like Halifax, Nova Scotia.

I want her to tell the aircraft workers in Halifax that she is going to cancel that helicopter project because that will put them out of work and I do not think they want to see that.

We are creating jobs through the creation of helicopters that are required by our Armed Forces to protect our sovereignty in Canada and to provide search and rescue.

* * *

NATIONAL DEFENCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, in Question Period yesterday the Minister of National Defence made reference to a theatre press release issued in Somalia on March 18, two days after a Somali died while in the custody of Canadian Forces peacekeepers.

My question is for the Acting Minister of National Defence. When the theatre release was issued on March 18 to whom did it go? Why were members of the Canadian media who were on the scene at the time and who raised questions on the issue kept in the dark?

• (1435)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the press release was issued as is customary in theatre, in this case in Mogadishu.

I understand some reporter who was in Somalia but was not in Mogadishu said he did not get the report. I do not know why that happened. An earlier incident on March 4 which was reported on March 6 in the same way, in theatre through a press release, was widely reported in the world media. Why that did not happen on the other incident I do not know. You would have to check with the media.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I think there is something terribly wrong here. The incident occurred on March 16. The Minister of National Defence was informed on March 17. A notice was issued on March 18 in Somalia and was pinned on a notice board, as the hon. House leader has suggested, 260 kilometres from the scene where it happened.

The Canadian media on the scene at the time asked questions and were kept in the dark. The Canadian public did not find out about it until two weeks later, and not from the Minister of National Defence but from an investigative reporter and in response to questions from the Official Opposition.

My supplementary question is: Why did the Minister of National Defence not follow up on her knowledge of this incident on March 17? Was it because the minister is incompetent or was it because the minister simply did not want the Canadian public to know?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as the minister pointed out yesterday in fact the press release issued in Mogadishu was not sent immediately to DND headquarters, and as she indicated that is a weakness in the system. She has put in corrective measures to make sure that does not happen in the future.

The reality is there was no cover-up; there was no secret. The headquarters for Canadian operations are in Mogadishu. The officers charged with responsibility of producing the press releases and so on are in Mogadishu. When the incident occurred as all other incidents that have occurred, and I think there have been three, they have put up the press release.

This one uniquely out of the three was not widely reported. That is not a cover-up. It is in fact an acknowledgement that perhaps other means need to be looked into for disseminating information. That is what the minister of defence acknowledged yesterday. She indicated that she had put in place the measures to make sure in fact that information is available at DND and Canadian press can have access to it.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to follow this issue up with the Prime Minister. It smells an awful lot like the Al-Mashat affair.

The Minister of National Defence publicly blamed her own peacekeepers yesterday for failing to advise her about the death of the Somali. We now know that within 24 hours the minister was advised and the minister made a decision not to make any public statement here in the Parliament of Canada about the death of the Somali specifically referred to.

I would like to ask the Prime Minister to explain why his Minister of National Defence would blame our peacekeepers in Somalia when she obviously decided to keep this whole issue secret herself.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member as usual is making wild, unsubstantiated accusations and indeed misrepresenting what the minister said.

The reality is, as I have just indicated in answer to a question from her colleague, that in each and every incident the next day in theatre the officers responsible issued a press release. What the Minister of National Defence acknowledged yesterday is that procedures did not automatically mean that these press releases were transferred to DND. They go up through chain of command. The hon. member continues to talk from her seat and will not be dissuaded by facts if she can throw a little mud even though it is not justified.

[*Translation*]

Ms. Sheila Copps (Hamilton): Mr. Speaker, it is a fact that the Minister of National Defence is using today the same logic that the government applied in the Al-Mashat case.

The truth of the matter is that her own spokespersons admitted that within 24 hours the minister herself knew all about the death of a Somali. She took it upon herself to keep this information from the Canadian people. I would like the Prime Minister to tell us why his minister, instead of taking her responsibilities actually put the blame on officials in Somalia?

• (1440)

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member's premise is totally false and therefore the question is totally ridiculous.

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the minister in respect of this. The press release that was issued on March 16 simply said that a man had been retained after trying to infiltrate the Canadian compound at night and had died in custody. The officials there turned the media away from the facts which only came out after it became public that Canadian officials treated this as a homicide and that Canadian soldiers were being investigated under that charge.

It is clear there was a cover-up in Somalia and it is now clear from the minister yesterday admitting outside the House that she knew about this a day after it happened.

Will the government not concede therefore that the minister has aided and abetted the cover-up and yesterday simply told at best half truths to the House of Commons?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member is certainly an expert in half truths.

The reality is that the statement of facts was issued in Mogadishu and an investigation commenced as is proper and the investigation carries on. That is the circumstance.

The hon. member seemed to be suggesting that in fact it is appropriate and once an investigation is commenced by the Judge Advocate General's office or his staff that in fact the minister come into the House and give all details of the investigation. That would be absurd as he knows.

There is nothing to cover up for goodness' sake. An incident happened. The military through its legal system is investigating it.

Mr. John Brewin (Victoria): Mr. Speaker, the minister has had more than ample opportunity to come before this House and lay out the facts for the Canadian people and she has persistently refused to do so.

Today we have another announcement from DND in respect of another killing on March 4 of a Somali civilian by Canadian forces in Somalia and the media advisory, as it is called, leaves many more questions open than it answers.

Will the minister tell the House whether any Canadian forces personnel have been charged or disciplined, whether there are any criminal activities involved in respect of this incident, where was the Somali when shot, and above all whether DND is treating this as a homicide. Why did the Minister of National Defence when she was expressly asked yesterday to give the House the facts on this not take that opportunity? Was she covering up on this as well?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the particular incident in question occurred March 4. On March 6 a press release was issued in theatre in Mogadishu that was widely reported in the Canadian media. If you check the files you will find that. Some cover-up.

An investigation by DND was undertaken by the officials on site. The report has reached headquarters. On the basis of that report the Department of National Defence has sent investigators from DND to Somalia to continue the investigation. On the advice of the Judge Advocate General the Minister of National Defence was asked not to comment until they are on site. They are on site as of yesterday. That is why the press advisory today. The hon. member is digging, looking for dirt in a place where none exists. This has been upright, handled properly and the hon. member should try to ask some decent questions about issues of importance to Canadians.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister.

We know that a reporter from Pembroke was at the base in question within 48 hours of the incident that is now being discussed before Parliament. We know that reporter put direct questions to base officials.

The reporter in question has been quoted and the transcript has been available to radio. It said directly that when questions were put no answers were given. The reporter in question, Mr. Jim Day, has said that no notice was posted.

• (1445)

I want to ask the Prime Minister why, given the important and tragic nature of this incident, a decision was taken to keep this information from the people of Canada and from the Canadian press contingent on the ground at the base. Surely the Prime Minister does not believe that a piece of paper posted on a bulletin board 260 kilometres away represents a press release. A press release must be released to the press if it is to be valid.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as it has been handled in every incident that occurred, the headquarters' staff deals with the media and issued a press release in Mogadishu away from theatre.

The investigation officers who are part of the Judge Advocate General's group have been conducting the investigation. Assistance has subsequently been provided by Ottawa.

The fact that soldiers in northern Somalia, away from headquarters, who were charged with the responsibility of keeping the peace and distributing food and so on would not answer questions about an investigation into a homicide being conducted by the Judge Advocate General's office is hardly a shocking thing. In fact the persons responsible operate under the Judge Advocate General's office.

I want to ask the hon. member what kind of an answer a reporter would get if he came up to an RCMP officer and said: "I would like the details of your investigation". He would probably be told to get lost and that is probably what happened to him.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the minister has just caused himself some serious difficulty. He has taken great pains to say to Parliament and through Parliament to the people of Canada: "We are hiding nothing. We issued a press release within 24 hours". Now he is telling us that it is not unusual that a reporter would be told to get lost when asking about what is going on.

The fact of the matter is that we have a public acknowledgement by a member of the minister's staff that within 24 hours the minister of defence was briefed. The minister was briefed on March 17.

Why for two weeks did the minister of defence, who was in this House on many of those days in the intervening period, choose not to report to Parliament and choose to keep this information from the people of Canada? Why was there a cover-up under way?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, there was no cover-up. A press release was issued stating an investigation was under way. It is no more appropriate for the minister of defence to come in and talk about details of investigations under the Judge Advocate General's department than it is for the Solicitor General to come into the House of Commons and talk about details of investigations by the RCMP.

I understand the hon. member went to law school. Did they not teach him there that it was inappropriate to talk about details—

Mr. Tobin: I didn't go to law school.

Mr. Andre: Well, he is not a lawyer. I'm sorry I maligned him.

Mr. Speaker: I think perhaps we should move on.

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AIDS

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I direct my question to the minister of health.

The Toronto Hospital for Sick Children has issued an alert that 17,000 former patients may have been tainted with AIDS blood, a medical and social tragedy that the federal government failed to prevent and continues to fail to trace the victims.

Will the minister make a commitment today to initiate a national strategy to trace all victims? Will he also make a commitment today to compensate those victims and their families as soon as they are discovered?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, we have been informed by the Government of Ontario that the children's hospital in Toronto is making an investigation into the cases that my colleague referred to. The Department of National Health and Welfare is working with the Government of Ontario to find out exactly what happened.

If there are any measures that have to be taken they will be. However, we have to give the Government of Ontario the opportunity to follow the investigation and make a report before making any further decisions.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the same minister.

The minister knows that the question of blood supply is a very pressing problem in the country. Since the minister was originally asked about this several months ago in the House it has gone from being a problem in one or two provinces to a problem across the country. I ask the minister again, on behalf of the Official Opposition, what further information does this government need before setting up an independent, public, judicial inquiry into the safety of the blood supply for all Canadians?

• (1450)

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I have to make the point first that cases referred to before by the member from Winnipeg refer to children at the children's hospital in Toronto between 1980 and 1983. He knows very well that the AIDS issue came forward in 1983.

Second, the committee of the House of which I believe the member is a member is working on a report at the present time which normally would be given to me where recommendations will be given about all the questions on tainted blood.

I have already said in the House that if there is any serious recommendation which would trigger the necessity for an inquiry, I will do that. The hon. member will agree that normally we wait for the report by the committee before making any decision about what the committee will recommend.

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AGRICULTURE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture.

The minister yesterday made public a report recommending that Canadian barley sold into the North

American market no longer be marketed by the Canadian Wheat Board.

In view of the fact that there are other studies which conclude that barley should stay under the jurisdiction of the Canadian Wheat Board and in view of the fact that many farmers and farm groups want a plebiscite before any changes are made to the Canadian Wheat Board, will the minister confirm today that in fact no changes will be made to the Canadian Wheat Board without first holding a producer plebiscite?

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, first of all the member is not accurate. He should know better than that.

There has been no suggestion that barley be removed from the Canadian Wheat Board. What is being analysed is the question as to whether in fact there should be some freedom of choice by producers who choose to grow and market barley. He should get his story straight.

There is no recommendation or no analysis by anybody that I am aware of, certainly nothing that was said yesterday by Dr. Carter in his report, that suggested in any way that barley should be removed from the Canadian Wheat Board. The suggestion that was made was that in the continental North American market there should be some opportunity and some choice by producers as to how they choose to market their product.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, the minister knows full well that what he is talking about is making changes to the marketing of barley that is going to reduce the efficiency of the Canadian Wheat Board and change the way that barley is marketed in this country.

The minister will know that the advisory committee to the Canadian Wheat Board, Unifarm, the National Farmers' Union, Saskatchewan, Manitoba and Alberta wheat pools, Keystone Agricultural Producers and the Canadian Federation of Agriculture want to see a plebiscite, a vote, before any changes are made to the marketing of barley. As well, a poll conducted by Anderson Fast Marketing Research found 88 per cent of producers in Saskatchewan want a plebiscite as well.

The question is simple. Will the minister clearly state that there will be a plebiscite before any changes are made to the way that barley is marketed in the North American continent? After all, the Canadian Wheat Board is there for the producers in western Canada, not at the wish of the government or the minister.

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, there are several producer groups on the prairies, including United Grain Growers and many other farm organizations that have direct membership that are in favour of a dual system.

If in fact there was consideration or there was an examination of removing barley totally from the jurisdiction of the Canadian Wheat Board then I think the member has a case. But if in fact we do take a look at it and decide that it is in the best interest of the producers to have a dual system which gives choice, then the producer who chooses either to market through the Canadian Wheat Board or on his own has a plebiscite and he will operate that plebiscite every time he chooses to market barley.

The answer is under the present scenario that is being examined, there will be no plebiscite when the government makes up its mind.

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FOREIGN AID

Hon. David MacDonald (Rosedale): Mr. Speaker, my question is for the minister for international development and external relations.

The minister will recall in 1986 she led the Canadian delegation to the special UN session on Africa, followed in 1987 by the CIDA report and policy which identified the poorest of the poor as a centrepiece of our foreign aid.

In view of recent decisions to cut not by 10 per cent, but by a total amount, aid programs to countries in Africa which are among the poorest of the poor and the hardship this is creating both for these African countries as well as their Canadian partners, what steps is the minister taking to try to ameliorate that situation and to assure that all of the headway that has been made since 1986 is not now going to be lost?

• (1455)

[*Translation*]

Hon. Monique Vézina (Minister of External Relations and Minister of State (Seniors)): Mr. Speaker, allow me first of all to congratulate my hon. colleague and to commend him for his untiring concern and dedication to Africa.

That being said, I must tell you that since the economic statement was tabled on December 2 we have had to make do in the Canadian International Development Agency with a budget reduced by over $200 million. Major decisions and hard choices had to be made. I based my choices on the regional concept recognized by NGOs as well as the UN.

In answer to the question about what I intend to do regarding Africa, I will say that Africa will continue to receive 45 per cent of our bilateral assistance, and humanitarian assistance as well as food aid will be maintained. Our support to UNICEF, NGOs and institutions is also maintained. In addition, Africa will receive $4 to $5 million a year, on top of the $10 million to $20 million to promote economic ties. So, it is totally wrong to claim that Canada is turning its back on Africa. We are still supporting efforts through a regional development concept or philosophy.

* * *

[*English*]

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the minister of fisheries.

Fishermen across eastern Nova Scotia and the Gulf of St. Lawrence are at their wits end as they gear up for the 1993 fishing season. For months they have been waiting anxiously for some kind of details on a comprehensive compensation plan to help them through this crisis, a crisis which has been created largely by this government's mismanagement. For months this minister has been stonewalling them.

When will he finally announce the details of his compensation plan so they can begin to prepare for their future?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, on December 18 I believe it was, I announced what the total allowable catches would be with respect to certain fish stocks in the Gulf of St. Lawrence and the south and west coasts of Newfoundland this year. There had to be severe reductions because of problems that all members of the House know about.

All of the regular programs of the Government of Canada are in place to assist people who may be affected by the diminution and the amount of fish that they can catch. We are reviewing now and are preparing to supplement those programs with respect to people in Atlantic Canada who do not live in the northern cod area but who are affected by these quota reductions.

I am very concerned about this as is the government and there will be an announcement as soon as possible.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, these delays are unacceptable. The minister has known for months that the quota cuts that he has announced will not allow fishermen to have a season in 1993. Thousands of fishermen will not have a season. As well there will be plant workers who will be thrown out of work as a result.

There is no need to keep them in this uncertainty any longer. When will he announce this plan so they can plan their future and we will know how long this crisis is going to last?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I might say that this is a crisis that has been building up over a period of years, certainly since the year 1977. This is not a sudden crisis that has just come upon us.

There will be fishermen who will not be able to earn sufficient UI stamps this year because of the diminution in the stocks of fish that they have to catch. There will be plant workers who will not be able to get employment. For that reason the present programs may not be sufficient and may not be all that is necessary. The government is developing a plan to deal with that and it will be announced. I cannot give an exact date for that but it will be announced in time to assist those people who are going to need assistance.

The fishermen are eligible for unemployment insurance up until May 15. There will be a plan in place when it is needed.

Mr. Dingwall: Before the election.

Mr. Crosbie: We are not Liberals; we don't bother about elections.

AGRICULTURE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is for the Minister of Agriculture and it also relates to the Carter report on the issue of the marketing of barley.

• (1500)

That report has already been roundly condemned. The Canadian Wheat Board describes it as disappointing and unacceptable. The outgoing president of Sask Pool says the report is "just torching the very institutions we have here".

We want to know where the government precisely stands on this report. Is the Minister of Agriculture refusing to take the advice of his very own wheat board? Will he not listen to a voice of farmers?

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, the report was commissioned as a result of an analysis we did of all regulations in the Department of Agriculture, one of them being to further analyse how barley should be marketed in North America.

We appointed a round table. That round table hired a consultant, Dr. Carter, to whom the hon. member referred. He just made his report public yesterday in Alberta. We will be hearing from all the participants on their concerns. Once that happens the Department of Agriculture will then make recommendations to the government as to how we will proceed.

Before he goes too far in quoting the chief commissioner of the Canadian Wheat Board, he should also refer to the letter that he wrote to Dr. Bjarnasson wherein the chief commissioner pointed out that Canadian farmers would increase their revenues in changing to a dual system by about $35 million. That is not bad in terms of increasing farmers' revenues from the sale of barley.

* * *

YOUNG OFFENDERS

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, my question is directed to the Minister of Justice.

People from across Canada including two candidates running for the leadership of the Progressive Conservative Party are in favour of lowering the maximum age for young offenders. I would like to ask the minister: How can we get this change into effect while this House is in session?

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, I thank the hon. member for her question.

Obviously the question of young offenders is a very important one. So far I mentioned a couple of weeks ago, or maybe one month ago, that we will get back to the House with something on that subject within a month.

This question and others are being contemplated for the moment as other amendments to the legislation. We amended this legislation last year in Bill C–12, which is a great improvement to this legislation.

I thank the hon. member for her question. We will make sure the House will be aware of our intention within a month.

* * *

POINT OF ORDER

ORAL QUESTION PERIOD

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise on a point of order. I have been on the waiting list for two days to ask a question on the Young Offenders Act.

Some hon. members: Oh, oh.

The Acting Speaker (Mr. Paproski): That is not a point of order.

GOVERNMENT ORDERS

[*English*]

TELECOMMUNICATIONS ACT

MEASURE TO ENACT

The House resumed from Monday, April 19, consideration of the motion of Mr. Beatty that Bill C–62, an act respecting telecommunications, be read the second time and referred to a subcommittee of the Standing Committee on Communications and Culture; and the motion of Mr. Cole (p. 18132).

The Acting Speaker (Mr. Paproski): It being three o'clock p.m., pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred division on the motion of Mr. Cole that this question be now put.

Call in the members.

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

(Division No. 458)

YEAS

Members

Allmand
Anawak
Angus
Assad
Attewell
Baker
Bélair
Belsher
Bernier
Bevilacqua
Bjornson
Blackburn (Jonquière)
Blais
Bosley
Boudria
Breaugh
Brightwell
Caccia
Campbell (South West Nova)
Catterall
Chrétien
Clark (Brandon—Souris)
Cole
Comuzzi
Corbeil
Côté
Crawford
Crosby (Halifax West)
Darling
de Cotret
Desjardins
Dingwall
Dobbie
Duceppe
Duplessis
Fee
Ferguson
Finestone
Fontaine
Foster
Friesen
Gaffney
Gardiner
Gibeau
Gray (Windsor West)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Hudon
James
Johnson
Jordan
Kaplan
Kempling
Kilger (Stormont—Dundas)
Kristiansen
Langan (Mission—Coquitlam)
Langlois
Larrivée
Lee
Littlechild
MacAulay
Althouse
Andre
Arseneault
Atkinson
Axworthy (Winnipeg South Centre)
Beatty
Bellemare
Berger
Bertrand
Bird
Blackburn (Brant)
Blaikie
Blenkarn
Bouchard (Roberval)
Boyer
Brewin
Browes
Cadieux
Cardiff
Chadwick
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Couture
Crosbie (St. John's West)
Danis
DeBlois
Della Noce
Dick
Dionne
Dorin
Duhamel
Epp
Feltham
Ferland
Flis
Fontana
Fretz
Fulton
Gagliano
Gauthier
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Guilbault
Harvard
Heap
Hockin
Horner
Hovdebo
Hunter
Jelinek
Joncas
Jourdenais
Karpoff
Keyes
Koury
Landry
Langdon (Essex—Windsor)
Laporte
LeBlanc (Cape Breton Highlands—Canso)
Lewis
Lopez
MacDonald (Rosedale)
MacDougall (Timiskaming—French River)
MacLaren
Maheu
Manley
Marin
Martin (Lasalle—Émard)
McCreath
McGuire
McLaughlin
Mifflin
Mitges
Moore
Nicholson
Oberle
Pagtakhan
Parker
Phinney
Plamondon
Porter
Proud
Redway
Reimer
Richardson
Riis
Robitaille
Roy-Arcelin
Samson
Siddon
Sobeski
Sparrow
Stevenson
Stupich
Taylor
Thompson
Tobin
Tremblay (Québec-Est)
Valcourt
Van De Walle
Venne
Vien
Volpe
Walker
White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Wood
Young (Acadie—Bathurst)—223
MacKay
MacLellan
Malone
Marchi
Marleau
Martin (Lincoln)
McDermid
McKnight
McLean
Milliken
Monteith
Nault
Nunziata
O'Kurley
Parent
Peterson
Pickard
Plourde
Pronovost
Prud'homme
Reid
Ricard
Rideout
Robinson
Rodriguez
Saint-Julien
Schneider
Simmons
Soetens
Speller
Stewart
Tardif
Tétreault
Thorkelson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Vanclief
Vankoughnet
Vézina
Vincent
Waddell
Wappel
Whittaker
Winegard
Worthy

NAYS

Members

nil/aucun

PAIRED MEMBERS

Harb — Weiner

• (1530)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

[*Translation*]

Mrs. Venne: Mr. Speaker, on a point of order. You asked for the nays and the Leader of the Liberal Party rose in his seat. If there was any agreement between the parties, we did not hear about it. So we thought the

Liberal Party voted against it and the NDP as well, and we did too. That is exactly what happened. If I am wrong, Mr. Speaker, that is how you put the question.

[*English*]

The Acting Speaker (Mr. Paproski): Accordingly pursuant to Standing Order 61(2) the next question is on the main motion.

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

(*Division No. 459*)

YEAS

Members

Anawak	Andre
Arseneault	Assad
Atkinson	Attewell
Axworthy (Winnipeg South Centre)	Baker
Beatty	Bélair
Bellemare	Belsher
Bernier	Bertrand
Bevilacqua	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bosley	Bouchard (Roberval)
Boyer	Brightwell
Browes	Cadieux
Cardiff	Catterall
Chadwick	Chrétien
Clark (Brandon—Souris)	Clifford
Cole	Collins
Comuzzi	Cooper
Copps	Corbeil
Corbett	Côté
Couture	Crawford
Crosbie (St. John's West)	Crosby (Halifax West)
Danis	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dingwall
Dionne	Dobbie
Dorin	Duhamel
Duplessis	Epp
Fee	Feltham
Ferguson	Ferland
Finestone	Flis
Fontaine	Fontana
Foster	Fretz
Friesen	Gaffney
Gagliano	Gauthier
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Grey (Beaver River)
Guilbault	Gustafson
Harvard	Harvey (Chicoutimi)
Hicks	Hockin
Holtmann	Horner
Horning	Hudon
James	Jelinek
Johnson	Joncas
Jordan	Jourdenais
Kaplan	Kempling
Keyes	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Koury
Landry	Langlois
Larrivée	LeBlanc (Cape Breton Highlands—Canso)
Lee	Lewis
Littlechild	Lopez
MacAulay	MacDougall (Timiskaming—French River)
MacKay	MacLaren
MacLellan	Maheu
Malone	Marchi
Marin	Marleau
Martin (Lincoln)	Mayer
McCreath	McDermid
McGuire	McKnight
McLean	Mifflin
Milliken	Mitges
Monteith	Moore
Nault	Nicholson
Nunziata	Oberle
O'Kurley	Pagtakhan
Parent	Peterson
Phinney	Pickard
Plourde	Porter
Pronovost	Proud
Prud'homme	Redway
Reid	Reimer
Ricard	Richardson
Rideout	Robitaille
Roy-Arcelin	Saint-Julien
Schneider	Siddon
Simmons	Sobeski
Soetens	Sparrow
Speller	Stevenson
Stewart	Tardif
Tétreault	Thompson
Thorkelson	Tobin
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Valcourt	Vanclief
Van De Walle	Vankoughnet
Vézina	Vien
Vincent	Volpe
Wappel	White
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Wood	Worthy
Young (Acadie—Bathurst)—185	

NAYS

Members

Althouse	Angus
Blackburn (Brant)	Blaikie
Breaugh	Brewin
Duceppe	Fulton
Gardiner	Heap
Hovdebo	Hunter
Karpoff	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Laporte	McLaughlin
Parker	Plamondon
Riis	Robinson
Rodriguez	Samson
Stupich	Taylor
Tremblay (Rosemont)	Venne
Waddell	Whittaker—30

PAIRED MEMBERS

Harb	Weiner

• (1540)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Bill read the second time and referred to a subcommittee of the Standing Committee on Communications and Culture.

CUSTOMS TARIFF

MEASURE TO AMEND

The House proceeded to the consideration of Bill C–102, an act to amend the Customs Tariff, the Excise Act, the Excise Tax Act, the Customs Act, the Criminal Code and a related act, as reported (with amendments) from a legislative committee.

Hon. Pierre Blais (for the Minister of Finance) moved that the bill be concurred in.

Motion agreed to.

• (1545)

[*Translation*]

Mr. Blais (for the Minister of Finance) moved that the bill be read the third time and passed.

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am pleased to speak on third reading on Bill C–102, which contains the legislative amendments to implement a number of excise tax and tariff measures announced over the past 20 months. Many of these proposals have already been implemented through notices of ways and means motions tabled at the time of their announcement. Among the measures are tariff changes to reduce cross–border shopping and a range of initiatives to address the problem of tobacco smuggling and tax evasion.

Hon. members are no doubt aware that the growth in tobacco smuggling over the past few years has had a profound economic and social impact. Domestic sales of tobacco products have fallen significantly over the last year and a half, particularly in some parts of the country. The result of falling tobacco sales has been a substantial loss in business for those in the wholesale and retail trade.

Criminal organizations are becoming increasingly involved in the packaging of tobacco products and are using the profits from illegal sales of tobacco to finance other criminal activities.

Tobacco smuggling and tax evasion have also had a serious impact on the fiscal and social policies of the federal government. Revenues from tobacco taxes have declined as Canadian smokers switched to contraband tobacco products. This decline in tobacco tax revenues, which are used to fund important government programs and services, has considerably outpaced the decline in overall tobacco consumption. As well, government health policies to discourage smoking are being undermined by the availability of inexpensive tobacco on the black market.

Without strong action by the government, the level of smuggling would continue to increase, with the resulting costs for the public and private sectors alike. This concern was the basis for the enforcement and control measures announced by the Minister of Finance and the Minister of National Revenue last spring to deter tobacco smuggling. Bill C–102 provides the legislative authority to implement these measures, which can be summarized as follows: tighter controls on the distribution and sale of duty–free tobacco products in Canada; improved markings on tobacco products to better identify duty–free tobacco products; the addition of "proceeds of crime" provisions to the Excise Act and the Customs Act to enable law enforcement agencies to seize the profits made by organized crime from tobacco smuggling and tax evasion; and significantly higher criminal penalties for people caught smuggling tobacco into Canada or selling contraband tobacco products in Canada.

On this last point, I would like to note that amendments were proposed during consideration of this bill by the legislative committee to further increase the penalties for the smuggling and illegal sale of tobacco products under the Excise Act and Customs Act. I am pleased to report that these amendments were approved by the committee and are included in Bill C–102 for consideration by hon. members today.

I should add that over the past year the government has allocated substantial new resources to Revenue Canada and the RCMP to enable these agencies to strengthen their enforcement efforts both at the border and within Canada. These additional resources, together with the higher penalties, new controls on the sale and distribution of duty–free tobacco and the addition of "proceeds of crime" provisions in this bill are vital components of the government's measures to address the tobacco smuggling problem and will improve the government's enforcement efforts in this area considerably.

This bill also implements the excise tax on tobacco products for export or for sale through duty–free shops that was announced in February 1992.

• (1550)

The purpose of this tax was to reduce the incentive to smuggle by narrowing the price differential between Canadian tobacco products for sale in the Canadian tax-paid market and those sold in other countries.

While the tax was effective in reducing the supply of contraband tobacco products in Canada in the weeks following its introduction, it quickly became apparent that its effectiveness would be severely limited in the longer term once suppliers in the U.S. were able to obtain Canadian-type tobacco products outside of Canada. The government therefore suspended collection of the tax in April 1992, when it announced the introduction of additional tobacco enforcement and control measures, which are among those I described a few moments ago.

Bill C-102 also addresses another difficulty Canadian wholesalers and retailers have had to face: cross-border shopping.

Last year the Minister of Finance indicated to the Canadian Retail Council's National Task Force on Cross-Border Shopping that, to help deal with this serious problem, the government would be prepared to remove tariffs on imported consumer products that are not made in Canada and are purchased by cross-border shoppers, where the tariff contributes to higher prices in Canada.

The task force identified a number of products and after consultations with all interested parties it was determined that the tariffs on about 25 products could be removed. These tariff removals represent approximately $1 billion worth of annual imports and about $60 million in duty. Examples are video cassette recorders, microwave ovens, sewing machines, cameras and telephone answering machines.

Canadian consumers benefit as lower prices for these imported goods are passed on by the retailers and wholesalers. The retailers and wholesalers, and the economy in general, benefit as these measures encourage consumers to shop in Canada.

The response to this initiative has been very positive. Department of Finance officials are continuing to work with Canadian industry and the Retail Council of Canada to identify other consumer products on which tariffs can be removed.

I would also like to touch very briefly on some of the other excise and tariff measures contained in this bill.

Hon. members will recall that in the 1992 budget the Minister of Finance announced the elimination of the 8.5 cent per litre excise tax on the ethanol and methanol portions of blended fuels. This measure, which will be enacted by Bill C-102, will encourage the development and use of ethanol and methanol fuels made from renewable feedstocks. The use of these fuels provides a number of environmental benefits, such as a reduction in carbon dioxide emissions.

The bill also contains a number of other tariff changes. Most of these are technical but some of them remove duties in response to requests from Canadian businesses. These amendments cover a variety of products such as peach trays and light bars for emergency vehicles but in my view the most significant change is the extension of duty-free entry to materials and parts imported by manufacturers who make goods that are incorporated into other products that are exported.

Previously those manufacturers could only get a refund of duties after the finished products were exported. Immediate duty relief was restricted to manufacturers who were both importers of the parts and materials and exporters of the finished goods. The extension of this privilege to intermediate producers is a big step in improving the competitive position of those producers.

In conclusion, I would like to emphasize the importance of the provisions in Bill C-102. In particular, this bill contains important measures to address the cross-border shopping problem. As well, the measures that will be enacted by this bill to combat tobacco smuggling will ensure that Canadian enforcement agencies have the proper means to go after and dismantle the criminal organizations involved in the illegal tobacco trade.

I therefore ask hon. members to support the passage of this bill on third reading.

[*English*]

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I welcome this opportunity to speak today on Bill C-102.

Basically this bill responds to the cross-border shopping problem and provides additional measures to counteract tobacco smuggling. I think everyone here recognizes the problems of cross-border shopping and tobacco smuggling. We as legislators have been asked by the Canadian people to do something about this problem. I know that we all feel that not enough is being done to attack this epidemic and not enough is being done to attack the whole problem of contraband cigarettes.

This bill was introduced in consultation with the tobacco industry. It is aware of the seriousness of the problem of cross-border shopping and smuggling and understands that it has a role to play in doing something about this problem. However, while this bill takes a first step to deal with the problem of smuggled tobacco by changing packaging rules and imposing stricter penalties for those who deal in these products it does nothing to address the root of the problem, which is high tobacco taxes.

Today as we study this bill I would like to speak specifically about the major problem of smuggling tobacco products in this country because it greatly affects my area of Haldimand—Norfolk. My argument is this: I believe that excessively high taxation on tobacco has created a prohibition-like environment in which otherwise law-abiding citizens are either selling or buying smuggled tobacco.

People from every walk of life, young and old, professional and welfare recipients, are in on the illegal action. All feel that they are over-taxed and for this reason have convinced themselves that buying or selling illegal tobacco is socially acceptable. They think that taxes on cigarettes are too high and that it is not a crime to buy or sell them. Many ordinary Canadians feel no compunction about buying or bypassing this tax-related law. Canadians now wink at cigarette smugglers the same way as Americans winked at the American bootleggers of the 1920s.

Smuggling is dividing communities. It is dividing native communities, inspiring the creation of criminal conspiracies, increasing violence for retailers, and goes hand in hand with the drug trade. In fact, organized crime is turning its attention to the illicit trade of tobacco because the profit from illegal tobacco is much greater than that of drugs and the penalties are not as severe.

There is no dispute in this country over the root cause of smuggling. It is high tobacco taxes which have become such a large component of the product's cost and price that they may offer a massive potential profit margin to those who are able and willing to acquire and trade in cigarettes on which no tax has been paid.

It is difficult to understand why a government would allow something illegal to occur right under its nose because it is politically correct to do so. In other words, because of pressure from non-smoking groups and my friend here in the NDP both federal and provincial governments are afraid to deal with the tobacco taxation problem. They would rather continue with their high taxation policy, which we all know is only conducive to smuggling.

One would think that the federal government, knowing that it has contributed to a billion dollar organized crime industry, might start taking seriously this whole problem of the sale of illegal tobacco. What I find so frustrating about this whole situation is that the solution is simple. We should roll back the taxes. This answer was not arrived at in recent days or recent weeks. The tobacco industry and many Canadians have been offering this government a clear solution. The rolling back of tobacco taxes is not only a peaceful solution to the problem but one which makes sheer common sense.

The fact of the matter is that the RCMP can no longer deal with the problem because the problem is just too big. The RCMP concedes that enforcement is not effective in curbing smuggling. It says what is even more problematic is that enforcement efforts will just drive the illicit tobacco trade underground and into the hands of organized crime, which I think for all of us is really a frightening thought.

• (1600)

After all, Canada has taken a lot of pride in the fact that it has been regarded as the number one country in the world in which to live. According to the UN, one of the reasons why it achieves such high marks is that it offers relative safety to Canadians. The nurturing of organized crime in Canada will not keep us at number one for very long.

To conclude, I would like to offer some facts about the industry and about tobacco farmers and how tobacco taxation has come to the attention of this House. I believe that they all should be very carefully considered.

The contraband tobacco trade has a street value of over $1 billion. The tobacco black market is costing federal and provincial governments an estimated $1.4 billion a year in lost tax revenue robbing Ontario's 1,200 tobacco growers of nearly $20 million in lost markets. It really jeopardizes 60,000 Canadian jobs.

Smokers pay up to $47.13 for a legal carton of 200 cigarettes of which the manufacturer gets $7.79. Distributors and retailers get $3.38 and the remaining $35.96 goes to federal and provincial coffers.

Illegal cigarettes can be had for as little as $22.50 a carton. A single pack which sells for as much as $6.50 legally can be bought for almost half at $3.50.

High taxes are not turning people off cigarettes. They are simply sending them underground. These high taxes are only costing governments.

The tobacco industry supports directly or indirectly the jobs of some 60,000 Canadians in growing, manufacturing, distribution and in the retail sectors.

The large increases imposed by the federal and provincial governments in the 1980s were primarily responsible for the loss of some $5,000 tobacco-related jobs and the closure of four manufacturing plants.

Most of those jobs were in my area of Haldimand—Norfolk. Over the last 10 years, cigarette taxes have increased some 620 per cent. Let me repeat that. In the last 10 years, cigarette tax increases have come to around 620 per cent.

This figure compares to an alcohol tax increase of just 68 per cent, a personal income tax increase of 66 per cent and a corporate tax increase of very little.

The RCMP believes that higher Canadian taxation has meant bigger and better organized crime groups getting involved. Enforcement is never succeeded. It seems that the tighter the regulations become, the more organized and sophisticated the smugglers become. The RCMP describes the situation as "out of control".

The rural economy of an entire area is at stake and it is not just the farmers. Many small businesses depend on the viability of the tobacco industry especially in my area. It is obvious that tobacco products will continue to be used in Canada.

The government must now face whether it wishes to export Canadian jobs through the tobacco industry and through a misguided taxation policy that disadvantages Canadians and allows American farmers and manufacturers to take over legitimate economic activity.

It is shameful that the government has fostered a tax policy which will devastate our domestic tobacco industry while pushing the economic benefits of producing this legal product across the border.

Of greater consequence, governments continue this taxation policy that has created a sophisticated smuggling network that the RCMP admits it cannot curtail. Surely, we as legislators must re-evaluate our taxation policy on tobacco. It is time we rolled back these taxes.

The Acting Speaker (Mr. Paproski): We are in third reading here. I think because of the little recess we had that the House is a little mixed up.

We are in third reading. There are no questions or comments on the first two speakers. Then we go to the third speaker for 20 and 10.

I have to say that there are no questions or comments on the hon. member's speech. The hon. member initially would have had 40 minutes with no questions or comments. Yes, it was 40 minutes with no questions or comments.

• (1605)

Mr. Speller: Mr. Speaker, I rise on a point of order. I thank you for bringing us up to date on that.

I know my friend in the NDP is just itching to ask me a question. Is there a possibility of getting unanimous consent for a five-minute question for my friend?

The Acting Speaker (Mr. Paproski): I will ask for unanimous consent. Is there unanimous consent to ask a question?

Some hon. members: No.

The Acting Speaker (Mr. Paproski): No.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise to speak on Bill C-102. That previous speech by the Liberal member was shocking. I kept asking him whether he was actually speaking on behalf of the Liberal Party and whether this was their total policy.

Mr. Speller: I always speak on behalf of the Liberals.

Mr. Karpoff: That is nice to know. This is the official stand of the Liberal Party. They support the tobacco industry in Canada and oppose health measures that have significantly reduced the use of cigarettes in this country and the incidence of death from tobacco.

An hon. member: It is not like the NDP that goes with marijuana.

Mr. Karpoff: We have to start to talk about what the consequences are in this country of the use of tobacco products.

An hon. member: Why not just talk about the bill?

Mr. Karpoff: What is obviously known is that 55,000 Canadians die every year because of illness related to tobacco use. If the Liberals think that is funny then one should talk to 55,000 families that have lost their husbands, wives, sons and daughters because of tobacco consumption.

This is one of the most serious health problems facing the industrial world and is being pushed and pushed by tobacco companies into the developing world. Sales are being aimed at children in Canada and sales are being aimed at children in the Third World countries.

Over the last number of years, the federal government, in conjunction with the provincial governments, has initiated a national campaign to reduce the consumption of tobacco. It is one of the better things that this government has done. It has done it based on two or three kinds of policies.

First of all it did it by increasing the taxes on cigarettes. Every time there has been a dramatic increase of 25 cents to 50 cents on a package of cigarettes, 100,000 Canadians quit smoking. It was done by an educational program that has educated people about the dangers of smoking. It did it by bringing in programs that insisted that cigarette products contain health warnings.

This bill that was brought in some time ago also contained an ability to put an export tax on tobacco products. What we have learned in this country is that most cigarettes that are exported are illegally smuggled back into the country.

Mr. Boudria: It is 90 per cent.

Mr. Karpoff: It is 90 per cent and even more. Last year the government put an $8 export tax on a carton of cigarettes and took the profit away from smuggling. There was no profit to be made in bringing those cigarettes back into Canada because one had already paid one's taxes on them. One could not bring them back in tax free.

In March 1992 there was an export of 164 million cigarettes. Then the government was lobbied by people like Vista. The Liberals wanted to make sure that one could increase the sale of cigarettes. There was lobbying by the tobacco industry and the manufacturers' association. This included such lobbyists as Bill Neville who is the Prime Minister's former chief of staff. There were threats. The tobacco industry said it would stop buying tobacco in Canada and would close all of the manufacturing plants in Canada. The federal government capitulated and withdrew the tax.

• (1610)

Here is what happened as soon as it withdrew the tax. The export and therefore the illegal smuggling of cigarettes back into Canada jumped dramatically. In March 1992 there were 164 million cigarettes exported. In May 1992 after the government capitulated and withdrew the export tax, that figure jumped to 958 million cigarettes, which is an increase of 650 per cent.

We all know that these are exported and then smuggled back into Canada. All the government did was to make it profitable again to have cigarettes smuggled back into this country.

In March 1992 there were 39 million kilograms of fine cut tobacco exported because there was the export tax making it unprofitable to smuggle these cigarettes back into Canada. In May 1992 after the government had capitulated and given in to the hardball tactics of the tobacco industry, the exports jumped from 39 million to 366 million kilograms of fine cut tobacco. That is an increase of 938 per cent.

The government said: "We will now again make it profitable for the smugglers". It had an impact. The federal government lost $800 million in tax revenue that it could have collected and the provinces probably lost a similar amount.

When the government was playing around with putting in the export tax the industry must have had tremendous anticipation. They somehow knew what was going to happen. When the government announced that it was going to put in an export tax, one company knew in advance somehow to ship out of Canada 50 truckloads of cigarettes before the tax was implemented.

We do need a level playing field. The Liberal solution is obviously to make our taxes lower on cigarettes and comparable with that of the United States.

Mr. Boudria: Who said that?

Mr. Karpoff: That is what your colleague says. That is what he is advocating. Cut the tobacco tax.

Of course we know that if we reduce the price of cigarettes then the consumption of cigarettes will simply go up.

In Canada we have developed probably the most effective program to combat tobacco consumption of any country: education, high taxes and warning labels on cigarettes.

The tobacco industry said it would co-operate with the government if the government dropped the export tax on cigarettes. I want to just point out what has been done for that co-operation. Immediately afterward there was a code to be put on cigarettes so that if they were smuggled back into Canada we could trace where they came from.

However the tobacco companies knew that they did not want to be traced. They might have been exporting cigarettes to a particular wholesaler and then these were being smuggled back into Canada.

• (1615)

All the tobacco companies got together and now export all their cigarettes to one warehouse in Syracuse, New York. If cigarettes are smuggled back into Canada they can only be traced to that warehouse in Syracuse, New York.

Because it is outside Canadian jurisdiction, we have no ability to control it or insist on information. That is the type of co-operation the tobacco industry has given us to reduce the problem of cigarette exports.

For the last two or three years the industry has fought dramatically through the courts to try to stop the proper labelling of cigarettes with health warnings. It has tried to ensure that the labelling required on cigarettes and inserts that warns about the health problems of cigarette consumption is not effective. The industry does not want to have nice, bold colours. They are too contrasting and easily readable. The industry has held it up in the courts for the last couple of years and has lost.

The government is now in the process of bringing forward new regulations which are going to make the labelling more stringent.

I want to talk about an issue that has been raised about farmers. We in this party have repeatedly said that instead of helping farmers grow a product that kills people worldwide, the government has a responsibility to assist tobacco farmers change to other types of crops. That is a solution. We cannot continue to support an industry that kills 55,000 Canadians a year. We cannot abandon the farmer and take away his livelihood. We must develop adjustment programs to help that farmer move to other productive crops.

In Canada, when we look at who is calling on the government to do certain things and whose side they are on, we very quickly realize that the people who are working in the best interest of Canadians are calling for the government to find its courage again and put an export tax on tobacco. These are people in organizations like the Canadian Medical Association, the Canadian Cancer Society and the Heart and Stroke Foundation. Every medical group across this country says tobacco kills 55,000 Canadians a year. That is half a million Canadians between now and the turn of the century.

People are standing up and advocating that the government should not continue with its program that has been effective. It should roll back taxes so cigarettes become cheaper which would increase consumption. Remember, every time the price of cigarettes is increased from 25 cents to 50 cents a package, 100,000 Canadians stop smoking.

There is another reason why my party and I side with people in organizations like the Canadian Medical Association. It is because the cost to taxpayers in terms of health care is horrendous. It is estimated that 10 per cent of all our acute care hospital beds are taken up with people who have smoking-related illnesses. If we could suddenly save a minimum of 10 per cent of our acute care dollars in this country we would be able to do something far more effective. We would have lots of money available for adjustment programs to help farmers move into other kinds of crops.

• (1620)

I want to finish by talking about the morality of the tobacco industry. Confidential documents were brought forward over the last couple of years which show that the tobacco industry deliberately aims its programs and advertising at minor children. It knows that 80 per cent or more of people who start smoking start before they are 18. If they have reached the age of 18 and are not smokers they are not going to be smokers. In spite of its denial, the tobacco industry has done life-style advertising and promotions aimed at getting younger and younger people to smoke.

In the Third World countries where there is no legislation to control the advertising of tobacco, the industry is even more blatant. It openly aims its products at 12 and 13 year-olds. It hands out free cigarettes to minors in Asian countries, Pacific rim countries and Thailand to promote them because its share of the market in North America has gone down.

Why are the tobacco companies so frightened about what is happening in Canada? They see that other countries are starting to look at our success in reducing the consumption of tobacco. They see it is a three-pronged success based on increasing taxation, continuing a level of export tax to make it unprofitable to smuggle cigarettes back into Canada, education about the dangers of cigarettes and labelling.

I hope this bill will go through without coming back to this House to reimpose the export tax on cigarette products. Is this government on the side of the big tobacco producers or on the side of the 55,000 Canadian families who lose their loved ones each year. Which side will we be on?

The government and the Liberals must have the courage to stand up and be on the side of Canadians. We must say we will reduce tobacco consumption and be on the side of those 55,000 Canadians who will lose their husbands and wives each year. We must reimplement the export tax.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I want to let the hon. member know that the Liberal Party of Canada is firmly behind the Canadian farmer and will continue to support the Canadian farmer.

He suggested in his speech that he knew how to solve the problems of tobacco farmers, which is clearly NDP gibberish. He has probably never been to see a tobacco farm. He is probably not aware that the government came out a year ago with a $32 million program to help the Canadian tobacco farmer. Do you know how much of that money has gone to the tobacco farmer? None. Absolutely zero. The government announced with great fanfare that it was going to help them diversify into other programs and then cancelled the AEI program to help them get into other areas.

Canadian tobacco farmers, knowing the future of the industry, have gone to the government to ask it to be involved in NISA. The hon. member may not know what NISA is, but NISA would give these farmers an opportunity to be like the corn and grain farmers in our agricultural community. It would give them the opportunity to invest in their future and help them get through the highs and lows. But the government has not allowed them into this great program.

• (1625)

The hon. member speaks a lot about the Liberal Party supporting the tobacco farmers that he refers to as murderers. He knows I have not spoken in this House on behalf of the tobacco manufacturers. I have spoken on behalf of the Canadian tobacco farmers and our tobacco communities that depend on these farms.

Is the hon. member aware that every time he gets up and talks like that, sending out this misinformation to Canadians, it hurts Canadian farmers and specifically Canadian tobacco farmers in our communities and our small business people who depend on these farmers?

Mr. Karpoff: Mr. Speaker, I appreciate that question because I think it goes to the heart of the issue. This member is saying that if it is profitable and kills people it is just too bad for those 55,000 people. He is determined to continue this profitable business that kills people.

I am sorry but the member cannot have it both ways. Yes, as tobacco consumption goes down tobacco farmers are going to be hurt. I have no doubt about it. That is why my party and I have called upon the government to put in realistic programs to help tobacco farmers switch to other programs. We should not continue to provide programs to help them through the highs and lows and allow them to continue to produce a crop that we know is dangerous.

If we have to make a choice on this issue—and I guess being in government is all about making choices about whose side we are on—I think it is fairly clear. Research over the last 25 years has clearly and unequivocally shown that the use of tobacco products is dangerous to a person's health and in fact causes death to 55,000 people a year.

Somebody said there are 5,000 tobacco farmers in Canada. Is that 10 deaths per tobacco farmer?

We have to ask ourselves what position we should be supporting. Should we support the continued escalation of the use of tobacco knowing its cost to the health care system and to individuals in terms of their life expectancies and health, or do we take steps to systematically reduce tobacco consumption?

I applaud this government because it has consistently, until it backed off on the export tax, had an integrated policy to allow for a gradual reduction in tobacco through education.

Mr. Benno Friesen (Surrey—White Rock—South Langley): Mr. Speaker, we heard a spirited defence just a little while ago of the merits of the tobacco industry and the consumption of tobacco. I wonder if the health critic for the Liberal Party agrees with the position of the spokesman for the Liberal Party on the consumption of tobacco.

• (1630)

The Acting Speaker (Mr. Paproski): The question has to be directed to the hon. member for Surrey North.

Mr. Volpe: Is he going to answer the question, as the former health minister?

Hon. Jake Epp (Provencher): Mr. Speaker, how he describes the tobacco industry is accurate. Experience, and bitter experience, teaches us that. On the one hand, it says it does not want young people to smoke but on the other hand it promotes smoking for young people.

I think we can say that Canada today is a leader in the anti-smoking crusade. We have had difficulty, for example, with tobacco farmers. I disagree with the hon. member that it is easy for tobacco farmers to switch over to other crops that are at least as financially beneficial to them as is tobacco. The land in the Delhi area is possibly not as suited to replacement crops. That is a reality we face.

Having said that though, there is a bottom line. I believe the tobacco industry is an amazing industry. It is the only industry that promotes death, destruction, fire, health loss, illness and a shortened life span and makes it glamorous. It is the only industry that is able to do that. It has a phenomenal marketing ability.

If one listens to my words they sound very harsh but they are absolutely accurate. Take a look. What next step does the member feel that Canada should take to promote public health policy, and particularly the reduction of smoking, especially among young people in Canada?

Mr. Karpoff: Mr. Speaker, I welcome that question. I would also say that the member's words do not sound harsh at all, they sound honest.

We have advocated that the next step is probably to stop the tobacco companies from promoting cultural and particularly sports events and using their names in doing so. Australia has simply stopped them from promoting any kind of events that they use their name in.

The other thing is to continue and maybe even escalate the health education programs that the government has initiated to inform people about the dangers of tobacco, particularly to inform young people and counteract the idea that to smoke is glamorous, macho and makes young women very attractive. We have to be able to counter the kind of glamorous image the tobacco industry likes to portray.

I agree with the hon. member very much that it is the only industry in the world that glamorizes its product knowing that it creates death.

* * *

BUDGET IMPLEMENTATION (GOVERNMENT ORGANIZATIONS) ACT, 1992

NOTICE OF ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-93

Hon. Benoît Bouchard (Minister of National Health and Welfare): On a point of order, Mr. Speaker. An agreement could not be reached under the provisions of Standing Orders 78(1) or 78(2) in respect to the report stage and third reading of Bill C-93, an act to implement certain government organization provisions of the budget tabled in the House of Commons on February 25, 1992.

Under the provision of Standing Order 78(3), I give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allotting a specified number of days and hours for the consideration and disposal of proceedings at the said stages of the said bill.

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Essex—Kent it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Ottawa—Vanier—Budget; the hon. member for Notre-Dame-de-Grâce—Immigration; the hon. member for Markham—Whitchurch—Stouffville—Child Pornography; the hon. member for New Westminster—Burnaby—Violence against women; the hon. member for Prince George—Bulkley Valley—Softwood lumber.

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CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-102, an act to amend the Customs Tariff, the Excise Act, the Excise Tax Act, the Customs Act, the Criminal Code and a related act, be read the third time and passed.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, it is my privilege to speak on Bill C-102, which is a very complicated bill for a lot of different Canadians.

• (1635)

I have very mixed feelings about the bill and certainly I can understand what many other Canadians have said. There certainly is a health problem with regard to smoking. Everyone in this House and everyone in this country recognizes that to be a true fact.

We also know that smoking is very tax-high revenue for the government. As mentioned earlier by my colleague, taxes have gone up some 600 per cent in the last 10 years. This shows that maybe the wrong focus has gone toward smoking and I would say alcohol as well. We look at a government that is promoting through taxation smoking and alcohol, in fact deriving the greatest share of the revenues through both, and yet many in this country would say we question the value of cigarettes and alcohol.

My colleagues on the far left of the House, the New Democratic Party, have suggested that there are extreme health problems. From hearing my colleagues from the NDP and as well some of the colleagues from across the way I have to ask why the policy is not to ban smoking in this country. It seems to me that if the health problem they are presenting and they are saying they will end the smoking issue, then it would be a logical step to ban smoking in this country. I certainly do not think that has been done either by the government side or by the NDP, who purport to be the great saviours in terms of health problems.

An hon. member: Because they are hypocrites.

Mr. Pickard: There is a major economical question involved with this bill. Absolutely no one will debate that $34 per carton of cigarettes is a very healthy revenue for the government. It has escalated so much in the last 10 years that it has become a law enforcement problem. That problem then starts to stem out into organized crime which is smuggling cigarettes into this country, causing a second social problem which is the illegal use of cigarettes in the country.

Many people in the RCMP as well as in customs and excise have compared it to our prohibition days with alcohol. Now many organized crime groups are bringing cigarettes in by the truckload and distributing them throughout the country. These illegal cigarettes are raising revenue in this country of as much as $1 billion annually. That is a tremendous problem for our law enforcement agencies. I would say that part of this bill does deal with that problem and corrects some of that. The imposition of fines of up to $200,000, the extra fines that would be imposed on people who bring illegal cigarettes into the country, is good. That portion of the bill is going to stop Canadian-made cigarettes from going over to the United States and then being brought back into Canada.

The real crux of the problem is the fact that we have escalated the cost of a product that many people in this country legally use, are addicted to and have chosen to use. We have escalated the cost of that product so much that people from every walk of life in Canada, from every sector of our society, are purchasing cigarettes illegally and at the most economical prices. It is a tendency that I see happening not only in the tobacco industry but in all facets of Canadian life.

• (1640)

In talking with people over the last few years I have found that they are very upset with tax increases. People are very upset with the high cost of living in this society, whether it is income taxes, taxes that have been imposed through goods and services or taxes that are coming through our excise areas.

We know that the tax record of increase, increase, increase has taken money from the Canadian consumers' pockets and increased their costs as much as 50 per cent, 60 per cent, or 70 per cent in the last eight years.

We know that this is a major problem for Canadians in tough times. Canadians are looking at the amount of money they are putting out in taxes and saying that it is far too much.

I am watching the Tory leadership campaign going on and I certainly understand from it that we have a problem. Everybody is saying: We can stop the extra spending in this country. We can stop the huge tax increases. We can slow down the debt and the deficit.

This is a situation that has developed dramatically over the last eight years. It is a problem that every Canadian speaks about in coffee shops. It is a problem they speak about in homes when they are sitting around the dinner table. It is a problem we as a nation have to face.

Is the government overtaxing to a point that is causing a lot of normal law-abiding citizens to purchase articles that should not be for sale? They should not be taxed as high as they are. I think it is causing another crime situation in this country.

With regard to the health issues, the crime issue, the excessive cost of cigarettes and the tax issue, we have very mixed up, in terms of its concerns, legislation coming forward that does not seem to be consistent.

If I take what my colleague across the way said about the fact that cigarettes must be stopped or what the member from the NDP said, I would assume they are going to step forward to ban cigarettes in this country. Then we will have a real undercurrent of growth because people do choose to smoke in this country.

It is our responsibility to make sure that the interests of all Canadians are treated fairly. I do not believe that high taxation on cigarettes, the way it has been, and the laws that we are coming down with are resolving the core problem. The core problem here is another matter of taxation and enforcement.

I support stopping the illegal entry of cigarettes into the country and punishing those who do it. That is a good measure. However, we have missed the core point in this issue which is overtaxation.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, after listening to the various speeches about the tobacco industry and the rest, I must say this is something we could talk about for a long time. People want to put a stop to youth directed advertising by cigarette manufacturers. They want to restrict cigarette smoking generally, but after all, people are free to choose and if they want to smoke, there is not much we can do about it.

There is another aspect we should consider. Recently, the tobacco industry has become a criminal element in our society. How did it get this way? In the past few years there was an incredible increase in excise taxes on tobacco and cigarettes and now taxes are so high that people have started to smuggle. In other words, excessive taxes have created a smuggling industry.

The hon. member from Toronto told me that last year the federal government lost more than $750 million.

• (1645)

Taxes have created a smuggling industry and the only logical way to deal with the problem is to cut taxes, if only for a year or two, in order to stabilize the situation. Then we can see how we can stop the smuggling and prevent this industry to engage in criminal activities.

Representatives from my riding, including Mr. Denis Savard, came here to discuss the problem. Mr. Savard showed a lot of common sense in what he said.

We would have to reduce taxes on cigarettes, if only temporarily, to deter smuggling and prevent the cigarette industry to engage in criminal activities. That is the real problem. We have to deal with this problem first and then we can find ways to stop smuggling altogether.

[*English*]

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I am pleased to take part in this debate today on Bill C–102. I want to speak very briefly on the issue of taxes and tobacco smuggling.

I want to put on record first of all that I too am very concerned about the volumes of tobacco being smuggled. About one pack in six that is consumed in Canada is indeed smuggled. It represents about $1.6 billion in federal and provincial tax revenues. Smuggling profits are estimated to be about $800 million. This represents 48 million cartons of cigarettes, eight times that of 1990, an increase of 650 per cent in smuggling in two years.

This is primarily because governments kept insisting they were going to raise the taxes on cigarettes and tobacco at both federal and provincial levels. Of course in doing so, on the pretext that it is a health risk, and we admit that it is, they have created a whole new underground economy in smuggling. That underground economy applies not just to tobacco but also applies to alcoholic beverages.

The tax rate in Canada for example is 67 per cent, compared to the United States which is 30 per cent. In Europe it is 75 per cent. The difference between the price of a carton of Canadian cigarettes in Canada versus the United States is about $35 per carton. It is not much wonder that there has been a vast increase in the volume of smuggling.

These tax increases have indeed created an underground economy, just as the GST is contributing to an underground economy based on cash being paid for services. That in itself is becoming a very serious problem in this country. We warned the government during the GST debate that this would happen, but of course it turned a blind eye.

The legislation as originally drafted would have unfairly penalized Canada's land frontier duty free shop industry in an attempt by the government to correct problems created by the government's regressive tax regime and lax enforcements. The original clause 73 would have regulated the sales of duty free shops. In terms of correspondence, one operator who lives close to my riding said: "Presently all Canadian duty free shop operators are adhering to a one carton, two tin limit on all sales of cigarettes and fine cut tobacco".

The reason for this is that these duty free shop operators recognized the problem and did not want to be part of it. They voluntarily, as an organization of their own people, put on a limit of what they would sell to people moving out of Canada, whether it is tourists from the United States or Canadians going to the United States.

The question then is why proceed with legislation limiting the sales from Canadian duty free shops if it has been demonstrated and recognized by the Department of Finance that the Canadian duty free shops are not part of the smuggling problem. At a time when the Canadian duty free shop industry as a whole is facing significantly increased competition from the United States, the only consequence of such a restrictive action would be to provide United States retailers with an additional competitive advantage and the subsequent loss of millions of dollars in tourist revenues.

The Canadian duty–free shop industry plays a key role in the Canadian economy through its employment of hundreds of Canadian workers and the generation of substantial tax and revenue dollars for the federal and provincial governments. The vast majority of the duty free shop industry is composed of small to medium sized businesses owned by Canadian citizens.

• (1650)

I had the privilege of being on the steering committee as a co–chair of that original committee that set up the Canadian duty free shop criteria. I am very proud of what these people have done. I am proud of the leadership they have shown in this regard and certainly I am very pleased that they voluntarily took the lead to try to control this terrible problem.

There has been an amendment passed in committee that recognizes their concerns and clause 73 no longer includes these duty free shops. Of course that means recognition of the fact that they are not part of the smuggling problem.

Over the last 10 years federal tobacco taxes have increased by 18.7 per cent per year on average and provincially 18.1 per cent. In 1980–81 the federal government collected $811 million in tobacco taxes. In 1990–91 the federal government collected $2.25 billion in taxes from tobacco. It has increased the taxes by 47 per cent since 1988 alone. Total tobacco sales by producers in 1991 totalled $310 million of which the federal government collected $2.25 billion in taxes. The entire Department

of Agriculture budget could be paid for on the tax collected on tobacco alone in this country.

A producer producing 90,000 pounds of tobacco will earn about $180,000. The federal government will collect $10 million in taxes on that particular producer's crop alone. It will yield well over $5 billion in taxes at the two levels of government in 1991–92 not including the GST.

Gradually the police and law enforcement people are in fact getting control of the situation. They are doing it slowly but surely. The LCBO, the Liquor Control Board of Ontario, estimates that one of every ten bottles of liquor consumed in Ontario is being either smuggled or bootlegged. The cigarette industry indicates that one in nine cigarettes obtained in Canada has been obtained illegally.

The Canadian Tobacco Manufacturers Council collected discarded cigarette packages after events last month and discovered that about 37 per cent of them had been smuggled. The LCBO estimated that Ontario residents spent more than $700 million for illegal liquor last year or about 13.5 per cent of the province's total liquor sales.

Meanwhile the revenues or the sale volume of LCBO has dropped by $60 million. This shows you the magnitude of the problem that has been brought about by the increased federal and provincial taxes. The RCMP said tobacco seizures have almost doubled in the last year. The force made about 3,000 seizures last year, which is up from 1,570 in 1991.

In a *London Free Press* article of March 20, 1993 the Quebec minister of revenue hinted that Ottawa and the provinces are considering lowering taxes on tobacco in a bid to curb the growing contraband cigarette trade. The Quebec revenue minister gave the figure that one in every three cigarettes sold in Quebec, Ontario and the west is contraband.

However although the Quebec minister may have seen the light, the federal government in Ottawa certainly has not. The article goes on to quote a senior official from the Department of Finance: "We are not at this point considering cutting taxes, certainly not actively".

The *Tillsonburg Independent* is a weekly newspaper in Tillsonburg, Ontario, which is the heart of tobacco country. The editorial of March 23, 1993 quotes the mayor of Tillsonburg's testimony before an Ontario legislative committee. He states that high taxation merely increases the already burgeoning share of the market that is in the hands of the smuggling industry.

We recognize the seriousness of the smuggling industry and we certainly hope that this will help relieve that problem. In terms of the health issue as spoken to by others earlier here today, I want to just point out the double standard we have here about the serious health issue as it concerns cigarettes.

I submit and I have submitted before in this House that the use of MMT in gasolines is an equal health risk. I call on the government to ban the use of this substance because there are alternatives available to MMT that are environmentally friendly and are not health risks. Surely if the government is serious about the use of tobacco and the risk to health, it has to be equally as serious about the use of MMT in gasoline where the victims are the young children of this nation.

• (1655)

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to take a few minutes to comment on this afternoon's debate. First of all the bill before us today is many-sided. On the one hand, it will benefit the ethanol industry to some extent, and I am sure that I speak for all parliamentarians in this House when I say that it is about time we came up with such an initiative.

My colleague from Stormont—Dundas and myself have met with our local seaway group. They want to go about setting up an ethanol plant in our area. By our region I do not mean my riding or his because they are still unclear as to the specific location. One way or another the entire community will benefit.

The hon. member for Lambton—Middlesex has been an advocate for the ethanol industry for a good long time in this House and I want to congratulate him as well.

I would now like to take a moment to address the cigarette smuggling issue.

[*English*]

Prior to the passage of the bill, prior to this bill being introduced, the fine for illegally importing cigarettes was nothing more than a joke. I complained in this House some two years ago about the effect of the absence of meaningful laws to curb smuggling.

As an example, under the present act a first offence right now for illegally importing cigarettes is a $50 fine. That must be very discouraging. That is about the profit on two cartons of cigarettes. For each subsequent offence the fine is $200.

Now we have fines not exceeding $10,000 and 12 months in jail. That is starting to make a bit of sense toward curbing the illegal importation of cigarettes in Canada. There has to be more done.

First I want to join with others who have said that there must be meaningful assistance for tobacco farmers in Canada to aid them in their transition to other crops and in recognizing all the difficulties that entails.

Second, I want to talk about the necessary increase in border patrols. The community of Akwesasne is partly in my riding and has something like 18 or 19 RCMP officers assigned in that area. If you count three shifts a day, seven days a week, one needs five people in order to have one on duty at any one time. That means there are all of three people at the best of times when there are no holidays on duty to patrol that area where the smuggling is going on.

It would be a mistake to pretend that is a native-only problem. That is wrong. Gangs from Montreal and Toronto have virtually taken control of the smuggling in our area.

Finally, the union representing the customs and excise employees issued a statement last week condemning the government for cutbacks in customs employees when we should be increasing them in an effort to curb that contraband. That is what we need to do.

In terms of whether or not an export tax works, I am not sure. The bill contains that provision. I am not personally against it.

However, there is a problem and it might as well be stated. At the present time there is nothing that prevents Canadian tobacco manufacturers from establishing a plant using the same product name and the same everything else in a package that looks virtually identical right across the border. It can then export those cigarettes to Canada in packages that look virtually the same as the ones that are shipped to the United States and that are smuggled back in at the present time.

Those are kinks and problems that the government will really have to work hard on. With that we have pretty well reached the hour of five o'clock. I will end my remarks for today and I will continue at the next sitting of the House.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): It was my understanding that there was some sort of an agreement. If there is no agreement that is fine.

It being five o'clock, pursuant to Standing Order 30(6) the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I have another item to put before the House before I recognize the hon. member for Nickel Belt.

I have received a written notice from the hon. member for Hamilton East that she is unable to move her motion during Private Members' Hour on Wednesday, April 21, 1993.

It has not been possible to arrange an exchange of position in the order of precedence, pursuant to Standing Order 94(2)(a). Accordingly I am directing the table officers to drop that item of business to the bottom of the order of precedence.

Pursuant to Standing Order 94(2)(b), Private Members' Hour will thus be suspended and the House will continue with the business before it prior to the Private Members' Hour.

Private Members' Business

SECURITIES

CREATION OF NATIONAL REGULATOR

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

That, in the opinion of this House, a National Securities Regulator should be created to address the issue of overlapping federal and provincial securities regulation.

He said: Mr. Speaker, my motion today calls on the government to consider the creation of the establishment of a national securities regulator.

The purpose and the reason given in my motion for establishing this is to address the issue of overlapping federal and provincial jurisdictions. Thirty years ago the royal commission on banking and finance recommended that the federal government take the lead in encouraging the development of "high and uniform standards of security legislation and regulation in Canada" by establishing a federal regulatory agency. That was 30 years ago.

Mr. Stupich: Were you here 30 years ago?

Mr. Rodriguez: I was not here 30 years ago. I could not be here and be as young looking as I am today. The arguments and the conclusion of that royal commission are as relevant today, probably even more so today than they were 30 years ago.

What has happened over the ensuing 30 years of course is the revolution in communication technology. There is the deregulation of financial institutions that has taken place. There is the internationalization of credit. There are all sorts of challenges and yet Canada among all the of the industrialized nations of the world is the only industrialized nation without a national securities regulator. The royal commission of the day had reasons to recommend that there be a national securities regulator. I also had reason to mention it in my motion. One reason was to eliminate much of the duplication and the lack of uniformity in regulations.

• (1705)

We have to understand the structure. The provinces are responsible for regulating security systems, so we have 10 provinces with 10 sets of regulations. Where the institution comes under federal jurisdiction there is a set of federal rules as well. There is a jungle of jurisdiction out there, often overlapping and often with no uniformity. It seems to me that having a national securities regulator would lead the provinces to establish a very high set of federal standards. That should be uppermost in the minds of legislators.

If there were a national securities regulator it would increase the standard of regulation across the country in light of the ability of Canada to interface with other jurisdictions that have national standards of security regulations such as the United States, for example. The United States has the U.S. Securities and Exchange Commission. The U.S. commission has no counterpart in Canada with which it can interface. It has to interface with provincial regulators, and of course in each jurisdiction there is a different set of rules.

It is important to begin establishing a set of rules that we can project internationally. It would be setting the rules as large borrowers attempt to avoid the intermediation of banks and go to the international market for their funds. They often do that by selling securities directly. There must be a way to establish some sense of uniformity and some sense of standards.

I can give an example of a case where there was an overlapping of jurisdiction among the provinces. In this case it was between two provinces, the province of British Columbia and the province of Ontario. My colleague is from British Columbia. He will remember the Bennett–Doman case. It was a perfect example in which the former premier of British Columbia, Bill Bennett, and his brother Russell had been charged with insider trading in the stock of Doman Industries Limited. The defendants resided in B.C. but Doman's shares were traded exclusively on the Toronto Stock Exchange. The alleged illegal trading was effected through the Toronto Stock Exchange computer assisted trading system, a national communications system.

The B.C. government and the Ontario Securities Commission both laid charges against the Bennetts in early 1989. They were acquitted in the B.C. provincial court in May 1989. The Ontario Securities Commission dropped the charges in Ontario. The argument was that the legal principle of double jeopardy prohibited another trial on the same offence and set of facts.

The commission decided to proceed with a regulatory hearing into the case, but that case had to be abandoned the following year when the Supreme Court of Ontario ruled that the OSC could not compel the Bennetts to provide testimony. Justice Steele stated in his judgment that the court had no power "to assist the tribunal outside Ontario". It is a perfect example of where the national securities regulator could have brought the Bennetts to heel, if we had had a national securities commission with standardized rules. I thought I would use that one example to clearly illustrate the lack of

uniformity and of a sense of continuity across the country with respect to a national securities regulator.

• (1710)

We are almost there. We have global markets for securities, bonds and equities 24 hours a day. Interprovincial and international trade in securities are growing in importance. The key reasons are the growing importance of the securities markets and the allocation of credit. I mentioned that borrowers, large corporations, can now avoid the intermediation of banks and go directly to the markets by floating securities.

According to the Toronto Stock Exchange chairman Michael Edwards, cross-border equity trading surged from $73 billion U.S. in 1979 to $1.44 trillion U.S. in 1990. In these circumstances it is fairly obvious a system organized around provincial boundaries, a regulatory system based on provincial boundaries, is fairly well anachronistic and inadequate.

Mr. Blenkarn: Right on.

Mr. Rodriguez: I am starting to wonder about my position now. The hon. member for Mississauga South says: "Right on". That scares me because he is a friend of the trusts.

Mr. Blenkarn: That is right, and you are a friend of the big banks.

Mr. Rodriguez: He is the original trust buster.

There is increased pressure to improve and harmonize disclosure requirements to get rid of inconsistencies. Regulators need it to do a better job and investors want it because it facilitates their understanding and decision making. It would also result in a cut in the cost and paperwork involved in registering the same security in several provinces.

A second reason is that only a federal securities regulator would prevent competitive deregulation wars between provincial regulators. Competitive deregulation would harmonize trade in securities to the lowest common regulatory factor and ethical standard. Even if provinces succeed in fully harmonizing the rules to the highest common factor, they would still be subject to different interpretations by different provincial regulators. This is why a federal regulator is needed to set national standards and to enforce these standards.

I am glad that my friend from Mississauga South is here. Not so long ago he was in full support of deregulating the financial institutions. We have pillars. Our system was built on pillars and we regulated the financial institutions by pillars; not pillars of salt, pillars. We had banks as one pillar. We had trust companies as another pillar. We had insurance companies as a third pillar. We had security brokerage houses as a fourth pillar.

In 1986 we knocked the brokerage houses down. That pillar went down. It probably saved a lot of them from bankruptcy. Immediately that pillar went down—

Mr. Blenkarn: They are still there.

Mr. Rodriguez: They were having some problems. Some of them were having problems. The member would admit that. Would my friend admit that?

Mr. Blenkarn: They are still there.

Mr. Rodriguez: The banks quickly moved in and bought the pillars, took the pillars over. Now each bank has a security brokerage pillar inside the stable. Of course we cannot have them communicating freely and openly so we put up Chinese walls. They call them Chinese walls. I call them picket fences because I think we can still move back and forward over them.

• (1715)

To some extent we have been cheating, have we not? We have been using a federal regulator, OSFI, through the back door. It is responsible for regulating banks and financial institutions and through the back door has been doing some regulation of brokerages.

Last year we completely knocked down the other pillars, all of them. They are all gone now. They are eating each other up as we predicted. Have you not seen it lately, Mr. Speaker? The banks are eating up the trust companies. The trust companies are going to be eaten up by insurance companies. Then the banks will eat up insurance companies because now banks can own insurance companies.

If we extrapolate that, the banks can now own their own securities firms. Banks now have accounts combining bank stock and trading services. Bank trusts and insurance companies can offer investment counselling and portfolio management services without having to set up a subsidiary reporting to a provincial securities commission as was previously the case.

They are pushing this very lucrative, fee generating business. Since the regulation of banking, federally chartered insurance and trust companies falls on the federal jurisdiction, the federal regulator must be allowed to monitor the spectrum of activities. A strong federal presence is inevitable. It has to come.

I mentioned insider trader and I mentioned the Bennett–Doman case. It was a classic example of the inability to deal with an alleged problem because it spanned two jurisdictions, B.C. and Ontario. I would argue that my proposal would deal with problems like that one.

I would suggest that another reason for a national securities regulator is the fact that the federal government is already involved to some degree in securities regulation. Insider trading, takeover bid and other provisions of the Federal Business Corporations Act overlap provincial securities law. The Criminal Code includes provisions on stock manipulation and other forms of securities fraud. There is already some federal responsibility.

Another reason is more an argument to allay fears. It seems to me there are no significant constitutional impediments to an expansion of the federal government's role in security industry regulation. The federal trade and commerce power should impose sufficient authority to regulate securities trading.

I am not the only one who has argued for a national securities regulator. In the previous throne speech the Prime Minister put the following question: "Do we really need three separate securities regulators when all over the world countries are moving to a much more centralized regulatory regime?" It had even been included in the Charlottetown accord.

In terms of where we are headed that is what we have to do. I propose we should create a federal Canadian national securities exchange commission, CNSEC, along the lines of the Securities and Exchange Commission in the United States. CNSEC would be run by an independent board of directors. I personally am not in favour of developing a parallel federal system of securities regulation. This would only it would seem to me add to the confusion to have a parallel federal system and a provincial one.

• (1720)

The mandate of this commission would be: one, to create an integrated national system of securities regulation, that is create one securities regulatory regime by integrating the provincial securities commission into CNSEC; two, I believe we should set accounting norms and technical and ethical standards for trading in securities which would be one of the functions of CNSEC; three, to supervise the sound and efficient functioning trade in securities, bonds and equities; four, to supervise the international flow of capital and investment into and out of Canada; five, investigate abuse and apply sanctions; six, to represent the national financial interests *vis–à–vis* the international forces currently working to create one global financial market.

The Acting Speaker (Mr. Paproski): I believe the hon. member's time has expired. I have given him an extra two minutes.

Mr. Rodriguez: In conclusion, Mr. Speaker.

The Acting Speaker (Mr. Paproski): In conclusion, the hon. member.

Mr. Rodriguez: In conclusion, Mr. Speaker, I would urge the House to support this motion. Hopefully the government will have the courage before this Parliament dies to introduce legislation that would establish a national securities commission.

[*Translation*]

Mr. Jean–Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, thank you for this opportunity to participate in this debate.

The motion before us today calls for the creation of a national securities regulator to address the issue of overlapping federal and provincial securities regulation.

I do not see the use for such an organization. The present system is working relatively well and is flexible enough. Why change so radically a system that is working?

[*English*]

Let me provide you, Mr. Speaker, with some background on this issue. Securities markets have traditionally been regulated by the provinces. Under the financial institution reform enacted last year most securities activities remain outside the business powers of federally-regulated financial institutions.

Even though there is a different regulatory regime in each province, the Canadian capital market works well. The provincial securities commissions co-ordinate their regulatory activities through the Canadian Securities Administrators.

[*Translation*]

I would like to point out that there is very little overlapping of federal and provincial securities regulations. When overlapping has occurred, discussions were held between the two levels of government to settle the matter.

The Hockin-Kwinter agreement for instance which was signed by the federal and Ontario governments in 1987 specified the division of powers and regulatory responsibility between the two levels of government with respect to securities.

The financial institutions legislation passed last year identified those securities transactions that federally chartered financial institutions could make. I understand that discussions on this issue are presently under way between the two levels of government.

The House will recall that the same legislation also reformed the statutory and regulatory framework for federally chartered financial institutions in Canada.

Barriers between the pillars of the financial sector, namely the banks, insurance companies and trust and loan companies, have been eliminated, allowing more direct competition between financial institutions.

The reform of financial institutions has benefited consumers through increased competition and a widening of the range of services provided by these institutions. The reform also increased the protection for depositors and insured persons and it strengthened the ability of Canadian financial institutions to compete here and abroad by providing them with new opportunities for growth. Banks, trust and loan companies, as well as insurance companies can now go outside their traditional sector and diversify their activity by owning institutions in other fields of the financial services industry. For example, banks and insurance companies can own trust and loan companies; moreover, trust and loan companies as well as banks can own insurance companies. Thanks to this opportunity for diversification, financial institutions can now offer consumers a wider selection of goods and services.

• (1725)

The reform also gave greater powers to financial institutions. For example, trust and loan companies can enjoy the same internal powers as banks, including full authority to give credit to businesses and consumers. Also, insurance companies can now make loans to consumers and businesses.

Mr. Speaker, allow me to go back to the motion which is the subject of this debate. The federal government repeatedly said that it was committed to reducing duplication and overlapping.

Given the significant progress made regarding securities, and given the ability of the provinces to regulate this sector properly, I do not see the necessity of creating a national body to regulate the securities industry.

However I would like to take a moment to discuss more in detail the jurisdiction conflicts between the two levels of government, as well as some of the changes which have occurred in the eighties regarding the regulation of securities in Canada.

Given the importance of this industry for our economy, both the federal and the provincial governments are interested in establishing efficient securities markets.

I already said that in Canada these markets were traditionally regulated by the provinces. Provincial authorities are responsible for a good part of the day-to-day regulation of the securities markets.

As for the federal government, it looks at the internal operations on securities of federally chartered banks as well as trust and insurance companies. It also looks at the presence of foreign institutions on Canadian markets.

[*English*]

Further, the federal government is involved in the securities market through the takeover bid, insider trading disclosure and related provisions of the Canada Business Corporation Act. This act is administered by consumer and corporate affairs. The federal government

also has an interest in preserving the over-all efficient functioning of Canadian capital markets.

[*Translation*]

Both the federal government and the various provincial governments are involved in regulating certain aspects of the securities markets. However, responsibility is the operative word and responsibility lies mainly with the provinces.

Both levels of government agree that the basic division of supervisory responsibilities should not be modified. However, they acknowledge that problems have surfaced from time to time and that maintaining a system that works well requires considerable co-ordination and co-operation.

The federal government believes that by setting up a discussion process in which both levels of government would participate on an equal footing would be the best way to deal with the problems of overlapping and duplication. The changes we saw in the eighties with respect to the regulation of securities in Canada have shown the benefits of this approach.

The changes that took place on securities markets a few years ago have had two major effects on the sector. They promoted competition and encouraged international integration.

• (1730)

I would like to give a few examples of these changes and the effect they have had. When fixed commission rates on our main securities markets were either dropped or substantially reduced the industry started offering more competitive prices. The securities market expanded and became more sophisticated.

It seems I have only two minutes left. I will conclude my speech. There is a lot more I could say about the subject.

I have tried to provide a summary of what we have done to deal effectively with the pressures of competition by decompartmentalizing the securities industry, thanks to policy changes co-ordinated at the federal and provincial levels. That is something we must not forget.

We must remember that the changes in the securities industry were brought about thanks to the co-operation of both levels of government. Further changes would have to be made the same way.

The existing system in this country has worked well. If changes are necessary there are many ways to make these changes without modifying the existing federal and provincial framework. Unilaterally creating a national securities regulator would not fit in with this approach.

I therefore advise hon. members against supporting this motion.

[*English*]

Mr. George S. Rideout (Moncton): Mr. Speaker,I would first like to compliment the hon. member for Nickel Belt with respect to the motion before us because it does illustrate some of the problems that we have been seeing in the subcommittee on financial institutions. I must say that I am disappointed to see that the representative from the government side is indicating a reluctance.

We saw in the number of things we looked at as we went through the financial institutions legislation a lot of overlap. We saw a lot of duplication. I will give an example of one situation. The Canada Deposit Insurance Corporation provides deposit insurance but because of provincial regulations on certain institutions it had to go to the provincial government first to request permission to go into that province to do something and to check out that particular institution. It seems to me that when you have a federal organization like the Canada Deposit Insurance Corporation that you should have the right to go in and investigate to make sure that taxpayers' dollars as well as depositors' dollars are not in jeopardy.

We see this type of breakdown between provinces and the federal government in a number of areas dealing with the regulation of financial institutions.

We also see a situation in which the new legislation which has been introduced has created a new atmosphere, an atmosphere in which there is a blurring of the pillars within our financial institutions, and a competitiveness which we encourage. At the same time, as I am sure you will appreciate, Mr. Speaker, with competitiveness also comes a need to protect. Consumers have to be

protected, the systems have to be protected. We have to try to find that right balance. I believe that as we look at financial institutions and what is going on in that whole process, we must have what I would call national standards. This motion, which probably does not go far enough when you look at the over-all area of financial institutions, at least is a move in the right direction by having a regulator to deal with national securities types of situations.

We are in a global economy. We all recognize that. We also see what is happening in the European common market. We see where those financial institutions are going to be working in any of the different countries of the common market and they are going to have the same types of regulations and problems that we face in this country, but they are doing something about it by having national standards and, as far as the European common market is concerned, national regulations.

• (1735)

We are saying on this side that there is a need. We have OSFI which deals with some aspects of financial institutions but again, we in Parliament are concerned.

I know the chairman of the subcommittee is concerned because we are having difficulty getting information concerning the collapse of two trust companies. The Superintendent of Financial Institutions is taking the position that information should not be brought forward to our committee. There are things that need to be looked at and aired. There has to be at least a minimum standard in this country as far as securities are concerned but also with respect to all financial institutions.

We recognize of course that NAFTA is another aspect that is going to have implications on our financial institutions and where we go in that area. Again that is going to require us as a country to have strong national regulations. If we are going to be competitive in the international markets, which I believe we are, then at the same time we must have those protections so our financial institutions are sound. People who invest in our financial institutions and carry on business with them must have the security of knowing that those institutions are regulated and there are at least some minimum standards.

For that reason, as I have indicated, we feel there is an opportunity to go further with this particular motion and encompass some other aspects. I am hoping that our subcommittee of financial institutions will take on a supervisory role in the sense of looking at what has happened to a number of our financial institutions and determining for sure that the proper protections are in place.

We face a very critical test at this particular time with respect to finding out what went wrong with Central Trust and Standard Trust. There is a reluctance on the part of the superintendent to give us that information. It is my view that Parliament has a role to play here to make sure that those financial institutions are sound and Canadian taxpayers' dollars are in financially sound institutions.

If we carry this motion one step further and provide a regulatory oversight dealing with national securities matters, I think a regulatory oversight with Parliament involved in the process is also a proper direction for us to be taking. In that sense our committee must exert its influence in making sure the demands for information from OSFI are brought forward.

I think the motion put forward goes in that direction to some degree, but as indicated earlier I do not believe it goes far enough.

I would also say that listening to the government's position, it looked at all sorts of different pieces of legislation and all sorts of different bodies that are regulating one aspect or another of financial institutions. If we are going to harmonize the things that are going on in this country in the area of financial institutions, we have to consolidate them under one or two regulatory agencies rather than have this proliferation of different agencies looking at different aspects of our financial institutions.

I think that is the thrust, in part, of this particular motion. In that regard we are supportive of the direction and concept, but recognize that in typical fashion the NDP members have not gone far enough. They are hesitant and timid in their approach. As the chairman of the subcommittee has said, they are the lackeys of big banks and big banking institutions and therefore are reluctant to really jump into this and do the job properly.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I want to say I am very pleased to join the debate today and I am delighted that my friend from Nickel Belt has brought this motion forward. I think the motion cuts to the heart of one of the major problems we have in this country. When we started as a country at Confederation we had different banks in different parts of the country issuing the currency. We did not have a national currency and we did not have national markets.

• (1740)

As a consequence, issues like security, trading and so on became under the purview of the provinces. For a long time the whole concept of judging the validity of securities, what is in a security, how it is regulated and who can sell securities has been a matter of provincial jurisdiction.

I suppose that was fine as long as a security dealer only raised money from the local community to start a business in the local community where the security dealer was. It was perfectly fine. So we developed stock markets in Toronto and Montreal and security dealers operated in those markets. By and large those markets dealt with companies that dealt only in Canada. They floated issues for Canadians wanting to raise money to build enterprises in Canada.

After a while new markets were developed in western Canada and we developed stock markets in Vancouver and Calgary. Alberta and British Columbia also developed detailed security regulations.

The other provinces of course developed security regulation systems to deal with the registration of non-transferrable securities and debentures.

The trouble is that we are growing and the world is growing and our dollar is traded today in every market in the world, 24 hours a day.

It used to be that the Minister of Finance would not read a budget until eight o'clock at night after all the markets had closed. Today it does not matter when he reads the budget because there are markets trading our securities everywhere in the world. In a sense we ought to have some sort of world regulator of these institutions, but that is not possible so at least we should have something done nationally.

It is a matter of constitutional negotiation. It was at the Charlottetown accord group and was not dealt with there. It should have been dealt with there.

Dealing with trust companies, for example, we have a situation where provinces regulate these companies and so we had the obscene situation in the province of Alberta where the province licensed Principal Trust. Principal Trust could not get a licence to operate in Ontario because the Ontario regulators smelled a rat. It could not get a licence to operate in Quebec because the Quebec regulators smelled a rat, so it operated in British Columbia, Nova Scotia and Newfoundland where it got registered. People lost their shirts in those provinces because there was no over-all regulation. They thought they were depositing with Principal Trust which was covered by CDIC when they were in fact buying a Principal land deal or a Principal mutual fund or a Principal somewhere else and getting no principal back. That is the problem with securities.

We saw the Bennett-Doman case brought forward by my friend where fast and loose action was pretty much condescended to in Vancouver but objected to in Toronto, so no satisfactory result came in that matter.

We cannot run a country with markets that are designed to raise money for national and international projects and a market system that is supposed to handle the trades of securities issued in other jurisdictions if we do not run those markets on a national and consolidated basis.

• (1745)

There is no great advantage to a province in regulating securities. It always shocks me that provincial treasurers see the regulation of securities as something they ought to keep together and close at hand. They think that perhaps if they keep the security business in their province they will somehow attract money into the province.

We have seen the kind of money they attract. They attract the bad deals because the bad deals which cannot be registered elsewhere go to where the regulation is the softest and where the regulation is the softest we wind up with the frauds and with the wash trading. We wind up with the fast dealers and with Canada receiving a bad reputation as a place where people can invest their funds.

We need a lot of funds in this country. We have a big country to build. We have needs for massive amounts of investment and we cannot raise all of that investment here. We have to raise it around the world. We cannot raise investment around the world when we continue to threaten investors with sloppy and incompetent regula-

tion that has existed in at least two of the markets in this country.

Mr. Rodriguez: A myriad of regulators.

Mr. Blenkarn: My hon. friend from Nickel Belt says a myriad of regulators.

It is about time that we rationalize this business. It is about time that the governments of this country recognized the fact that there is no merit in soft and sloppy regulation. Soft and sloppy regulation hurts everyone in Canada and does not give the province that facilitates soft and sloppy regulation any advantage at all.

You do not make any marks by having your citizens get burned. You do not get any marks by having other people's citizens get burned because they remember and they will not be back.

I say that this resolution has a great deal of merit to it. Does it go far enough? Does it do the right thing? I certainly say that it does not because it really is not a question of duplication. It is a question that security regulation is virtually, totally and completely a provincial matter. We really have no federal security regulator at all. While the federal government may regulate the banks that have security licences, indirectly in that sense it controls the solvency of the banks. It does not control how the security operations are conducted, how registration is conducted or what prospectuses say and so on.

All of these very important matters are not regulated nationally. What we have is a situation where we have only provincial regulations. Really if this resolution had been corrected, it would have said that we instruct the federal government to immediately start negotiations with the provinces to reorganize this Confederation and take over certain things that really ought to be national.

We do a lot of things here nationally that ought to be provincial. There is no reason whatsoever why we have a federal Department of Forestry. There is no reason whatsoever why we have a federal housing minister. Absolutely not.

Housing for example, foolish. We cannot subdivide land here. We cannot organize building permits here. We cannot direct housing regulation here. We cannot do anything in the housing market. We ought to leave the housing market to the provinces. They can do it. We are not needed here. But we are needed where the real problems are in this country and those real problems are in the money markets of this world where we have a Canadian dollar, Canadian securities, Canadian opportunities and we ought to make sure that those opportunities are governed, directed, controlled and developed in a national system.

• (1750)

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to take a few minutes to speak on this motion.

I commend the motion to the House and I congratulate the member who put it forward.

The member for Mississauga South says perhaps the resolution should have read that the federal government be empowered or something like that or directed to consult with the provinces and so on in regard to creating the office of the national securities regulator. I suppose there are many ways in which one can make any motion better than it was originally drafted. That is not the point.

The motion when passed will I assume become the subject matter of deliberations in a committee. The committee is not restricted to doing precisely and only the things that are written in the motion. The committee looking into the issue subsequently could broaden that mandate and obviously do that which the member for Mississauga South asks.

In addition it is implicit in the motion in any case that if there is overlapping at the present time, and if we were to eliminate overlapping particularly in an area that involves provincial jurisdictions, we would have to consult the jurisdiction which is presently charged with that in order to eliminate the overlapping. The argument of the member for Mississauga South is not quite accurate, I say respectfully. I know the member for Mississauga South who is listening very closely to this debate now that he has finished his remarks will take note of that.

The member for Mississauga South said a number of things that I agree with nevertheless. When talking about such things as trust companies and the way they are registered at the present time and the fact that different provinces have different rules involving trust

companies, most Canadians investing right now in trust companies do not know whether the trust company they are investing in is federally or provincially chartered and regulated. It is not obvious at all at the present time which ones get their directions from which agency of government. That is just one example.

Notwithstanding this there is still a need to ensure or to at least attempt to provide if not guidance, if that word is too strong, then at the very least co-ordination so that there would be at the federal level at least a repository of the different rules that apply in each province so that provinces can attempt to have rules that are similar.

I will use another example to make a parallel. Inside the Department of the Secretary of State there is an agency—I forget the name of it for the moment—which is charged with co-ordinating educational programs. We all know of course that education is strictly the prerogative of the provincial level of government. Nevertheless, the Secretary of State I believe has an official there or at least a group within that department and the purpose of this group is to co-ordinate as best it can. I know the members are going to say it is not nearly co-ordinated enough because there are still vast differences between the educational standards in various jurisdictions in Canada. Nevertheless, Mr. Speaker, you will understand what I am indicating to you here, namely that such agencies exist at the present time to co-ordinate provincial power in Canada or co-ordinate areas which fall under provincial jurisdiction.

Just as what we said is true in the area of education, and the member for Mississauga South indicated it is equally true in the area of regulating the trust industry, it is also true in the securities industry generally.

• (1755)

Without putting too fine a point on it, stock exchanges in this country are not exactly the same in terms of how they deal with certain speculative ventures and the like. A particular province seems to have made quite an industry. It is into more speculative stock than other jurisdictions, which is fine I suppose. However, if we were at least sure that the way in which we measure these things is uniform across the country then investors would be better assured that when they take a risk on more speculative stock they would be doing so with the full knowledge that the rule by which the level of risk is measured is uniform everywhere.

I see nothing wrong with having this motion adopted by this House, sent to a parliamentary committee and there amended and corrected. At the very least we should provide for some co-ordination between the various provincial jurisdictions in Canada.

There is a wider debate in all of this. The member for Mississauga South raised the issue of whether or not some provincial powers should now be federal and federal powers should now be provincial and so on. After the debacle of the Charlottetown agreement last fall I am not sure that Canadians are willing to get into a very heavy debate of this kind at this time. In the future these things will inevitably come up again. If we wait for the next round of constitutional negotiations before we address any of these issues we will probably wait a very long time.

[*Translation*]

Meanwhile, I do not see why we should not proceed with this motion, why it should not be passed by the House and referred to a Parliamentary committee which could, at the very least, enable us to try and implement some of the principles or some of the proposals made today by the hon. member for Nickel Belt.

Mr. André Harvey (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am not surprised that the New Democratic Party would make such a proposal because I must say, with all due respect for my friend from the NDP and those who support him, they always seem to go against the flow and in this case against the new pattern responsible governments are trying to develop.

In 1984, we realized that we could not go on setting up new agencies for the benefit of the regime's friends. What we implemented was a new system based on what we called privatization.

Since 1984 privatization has meant the disappearance of scores of Crown agencies or corporations, with some 90,000 employees assigned unproductive tasks. The result was that instead of increasing by 14.8 per cent a year, as was the case before, spending increased only by 3 per cent to 4 per cent a year. This is very significant, because if spending had continued to increase at a rate of 15 per cent a year, we would have a debt of $850 billion instead of $450 billion, and the deficit would reach $82 billion

this year instead of $34 billion. Technically we would be bankrupt. Clearly, the example not to follow is Ontario, where the deficit has tripled.

With these proposals, we would be interfering in provincial jurisdictions. There is close co-operation between the various levels of government in the area of securities—as in many other areas—and doing away with all trade barriers between provinces is an excessively important goal of our government. We will try to finalize within a year a free trade agreement encompassing virtually all areas of the Canadian economy to have the same openness between provinces we now enjoy with the United States and will shortly enjoy with Mexico.

In conclusion, this proposal seems to me totally unacceptable as it goes against streamlining and spending control.

• (1800)

[*English*]

The Acting Speaker (Mr. Paproski): I regret that the member's time has expired.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE BUDGET

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on March 11 I asked the Prime Minister of Canada to tell us why his government was refraining from tabling a budget and showing Canadians the real financial situation of our country.

The Conservatives often say they want to present to Canadians, on a regular basis, a budget depicting the real economic state of our country. For partisan reasons only, the Minister of Finance has decided to break that promise this year so that candidates for the leadership of the Conservative Party are not embarrassed by a somewhat tighter budget.

To hear candidates for the leadership of the Conservative Party talk non-stop about how they will reduce the annual deficit of the Conservative government, freeze taxes, cut government expenditures, et cetera, is absolutely absurd. One has to wonder why these people, who in some cases have two, three or four years of experience as members of the cabinet, did not share their ideas with their government before. Why did they keep their views to themselves and wait for a leadership campaign to disclose them? We wonder about that.

Mr. Boudria: They did not think about it.

Mr. Gauthier: They did not think about it, as the hon. member for Glengarry—Prescott—Russell said.

Did all those bright ideas come to them as soon as the Prime Minister announced he was quitting? We have to wonder. Could it be that the candidates are coming up with all those ideas only to impress Canadians in pre-election time? You only have to recall all the broken promises made by the Conservative government during the last two election campaigns to realize how weak its commitments are.

Our country is in deep financial trouble and this is not a game of Monopoly. It is the duty of the Conservative government to advise Parliament of its plans, objectives, policies and the economic future of our country.

During the last nine years the Conservative government has doubled Canada's public debt to the appalling level of $450 billion. At a time when some provinces are working wonders to minimize the negative impact of the cuts in federal transfer payments, Conservative leadership candidates are standing by a project as indefensible and as extravagant as the purchase of helicopters at a cost of $5.8 billion.

It is important to know if the government will keep going on and develop other projects as crazy as this one which drain such important programs as social, education and health programs, or if it will finally invest its energy in stimulating the economy and give back some hope to the 1,537,000 unemployed and 2.3 million people on welfare.

The government had indicated that a budget would be tabled in the week following the Easter recess. This is now and we have no budget. We do not even have a date when it will be presented. Until now no date has been set and it does seem to have as a priority to set one. Although we cannot expect much from a government such as the one we now have and that is driving the country into bankruptcy, we will at the very least have the chance to know the truth about the financial situation if the government summons the courage to table a budget for Canadians, a budget that could boost our economy.

I repeat the question I asked the Prime Minister a few weeks ago: What is the exact date of the budget we are to get in order to really know the true face of the Conservative government policy and also the country's financial situation so that we can correct it after the next election?

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, we find it hard to believe that the member for Ottawa—Vanier would ask us to debate the question about whether we are going to have a budget or a financial statement. He has unfortunately not paid attention to Canadian media coverage for the last six weeks. It is not like him.

The government is getting ready to bring down a full budget very shortly and, as you know, Mr. Speaker, the government has been consulting widely with Canadians. It has listened to their concerns. Above and beyond all, Canadians want the government to eliminate the deficit and reduce the burden of the debt.

The finance minister reported on his and our pre-budget consultations in the document released last Friday, entitled "Charting the Economic Course in a World of Change".

• (1805)

In its upcoming budget the government will be concentrating on actions to control spending and bring down the deficit. The economic recovery is now gaining momentum and the budget will take action to bring our fiscal problems under control and ensure that we sustain that recovery and create jobs.

I trust that the member for Ottawa—Vanier will be paying close attention when the minister presents his budget.

[*English*]

IMMIGRATION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on March 15 I asked the Minister of Employment and Immigration to do two things: first, to table amendments to the Immigration Act in order to make gender persecution a specific ground for refugee status and, second, to admit those women into Canada who had been victims of gender persecution but turned down by the Immigration Refugee Board before the new guidelines of March 19, 1993.

Under the present law and the international treaty on refugees, a refugee is defined as a person who has a well founded fear of persecution for reasons of race, religion, nationality, membership in a social group or political opinion. Gender is not included in the definition although there are situations in the world where, first, women are by law relegated to an inferior position and prohibited from doing certain things and are persecuted if they disobey such laws. Second, women in many countries are not protected by the law from personal maltreatment, abuse and violence. Third, where women are subject to persecution as I have described, if they speak out or campaign against such laws they are persecuted as well.

On March 9 the chairperson of the Immigration and Refugee Board issued instructions to the Immigration and Refugee Board members that they should interpret the definition of refugee to consider gender persecution. She said on that occasion that these instructions were not binding and that the gender persecution was not to be a ground of refugee status in itself but must be linked to one of the existing grounds such as race or religion and so on.

It is for these reasons I asked the minister on March 25 to go one step further to make gender a distinct ground for refugee status and make it binding by putting it in the law. The minister answered on that day that he could not do it because it would go beyond the international convention on refugees. To that I say that the convention is only a floor, not a ceiling. Nothing prevents Canada from having a larger, more generous definition of a refugee, but we cannot do less than the convention we have signed.

I have also asked the minister to admit on a humanitarian and compassionate basis those victims of gender persecution who were rejected by the board before the new instructions were promulgated. I understand there are over 35 such cases.

In conclusion, I would hope that the government would respond to this request in a more positive manner because I know many Canadians would support such a policy.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I want to thank the hon. member for raising this question once again with us.

I want to tell the hon. member that the guidelines on gender based persecutions issued by the chairperson of the Immigration and Refugee Board on March 9 are intended to promote consistency in decisions of refugee claims. They are consistent with the interpretation of the definition of a convention refugee proposed in the 1985 resolution of the executive committee of the United Nations High Commissioner for Refugees which Canada supported. This allows decision makers to consider women refugee claimants as members of a social group.

These guidelines were the first issued pursuant to the authority of the chairperson contained in recent amendments to the Immigration Act, Bill C-86. There is no reason to believe these non-binding guidelines that respect the independence of decision makers and that were developed in a consultative process will be less effective in promoting consistency than binding direction on the interpretation of the convention definition.

Persecution against a woman based on any one of the five grounds delineated in the refugee convention can result in that woman being recognized as a refugee. If the persecution is solely the consequence of the fact that the individual is a woman or is directed against a particular subgroup of women, the claim can be accepted on the basis that she is a member of a particular social group. The process of evaluation of a refugee claim would not be any easier if the definition of a convention refugee were amended either within Canada or internationally to include gender.

• (1810)

I hope this answers the member's concerns.

Adjournment Debate

CHILD PORNOGRAPHY

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, tonight I am standing before my colleagues in the House of Commons to discuss once again the issue of pornography and the urgent need for legislation to outlaw the possession of pornographic materials.

When I last discussed this issue in the House in December I was assured by the Minister of Justice that child pornography legislation would be introduced early this year. Since we now have a new justice minister I would like to know whether introducing this legislation is a priority for the new minister.

Hard core pornography degrades the women and children who are portrayed in these submissive, subordinate and often violent pictures. These videos, magazines and pictures demean our entire society.

We currently have laws that make it an offence to produce, manufacture and sell pornography in Canada. Last February the Supreme Court ruled on pornography in the Butler case. This case concerned obscenity provisions in the Criminal Code. The Supreme Court decision upheld the existing obscenity provisions. The Butler ruling is an important one. In it Canada's highest court has recognized what women and many concerned Canadians have been saying for years. The Supreme Court has acknowledged the harm that pornography's demeaning and dehumanizing depictions of sex can cause to society in general and to women and children in particular. The Butler decision was also important in that it expanded the scope of the existing anti-obscenity law which referred to child pornography.

Pornography is a dangerous and degrading weapon being used in the war against women and children. It reflects the perception that women and children are inferior and available to service the sexual needs of men.

As elected officials we must make sure that legislation is introduced in the area of possession of pornography. We must also make sure that the existing legislation which outlaws the production, sale and manufacturing of pornography is effectively enforced.

In closing I want to say that as a society we have been far too tolerant of pornography. We have the facts. We see the images of young children and women who are our mothers, daughters and granddaughters being beaten, raped and murdered. We have read the evidence showing the link between hard core pornography and the

violence against women and children. We must get on with effective legislation in this important area.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, the hon. member from Markham has asked the government to address the very urgent need to create an offence for the possession of child pornography, and the government could not agree with the hon. member more.

Let me assure the hon. member that the Minister of Justice recognizes the need to prohibit the production and possession of child pornography to protect children from the harmful effects of sexual abuse and sexual exploitation.

The minister convened more than 250 people at a national symposium on community safety and crime prevention which was held in Toronto in March and clearly indicated that it is his intention to introduce measures in this House as soon as possible which will specifically prohibit the possession, production, distribution and sale of child pornography. This will be done in the very near future.

SOFTWOOD LUMBER

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, back on December 9 I had the opportunity to question the minister of trade on a very important trade matter between Canada and the United States, specifically the softwood lumber tariff dispute.

• (1815)

My question at that time concerned news reports that information on the review of this dispute by the General Agreement on Tariffs and Trade had been made public, in particular that GATT had made a split decision on the softwood dispute. On the one hand it had ruled that the United States, while using special procedures to launch this harassment, this countervail action against our softwood exports, was proper in doing so. On the other hand it ruled in Canada's favour on the question of whether the United States was right in its continuing to collect the 15 per cent lumber export surcharge or tariff that our own government and country had disavowed. I asked the minister that day in the House to confirm whether this was in fact correct and the news reports were right from GATT that it was dealing with this particular issue. I wanted also to pursue this question. If in fact the ruling had come down as it did and the United States and its officials owed Canadians some $15 million, what kind of assurances and what kind of work was the government going to do to ensure that we would get our money back?

I understand now from discussions that my staff have had with officials that the GATT subsidy committee will be meeting on April 28 to officially review this case. I hope that the government in responding will give an indication of the success that we have had to date in getting our $15 million back and also the direction that we can expect and what preparations the government has for the eventual decision from GATT and of course the ongoing panels on subsidy and injury that are dealing with this issue.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, we will respond to the question the hon. member asked in the first place. I am delighted to do so and to clarify the GATT report on the U.S. actions against softwood lumber exports in Canada.

The report contains two major findings. First, it found that the U.S. was not justified under the GATT subsidies code to have placed temporary bans on imports of softwood lumber from Canada between October 4, 1991 and March 12, 1992.

The panel has therefore recommended to the subsidies committee that the U.S. refund the cash collected as a result of this action. Second, Canada challenged the initiation of the investigation in the first place. However, the panel found that the Department of Commerce had met the standard for sufficient evidence toward the initiation of countervailing duty investigation into provincial stumpage pricing practices.

Notwithstanding this, the panel specifically noted that it was not deciding whether Canadian stumpage pricing practices were in fact subsidies.

Also raised was the question of whether the GATT panel made a decision with regard to Canada's export of raw logs. The panel found this issue to be outside its terms of reference even though we pressed to have the issue addressed.

Finally, the question of access to the U.S. market for our softwood lumber producers is of course of very great importance. Canada is contesting the final decisions of the U.S. on subsidy and injury on Canadian softwood lumber through two chapter nineteen panels established under the free trade agreement.

We are also examining the option of pursuing the softwood lumber case further in the GATT.

[*Translation*]

The Acting Speaker (Mr. Paproski): 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 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.18 p.m.

HOUSE OF COMMONS

Wednesday, April 21, 1993

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

NATIONAL VOLUNTEER WEEK

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I would like to draw the attention of the House to the fact that this week, April 18 to 24, is National Volunteer Week.

This is an opportunity for all of us to express our heartfelt thanks to the more than 13 million Canadians who volunteer their time, skills and energies to enhance the quality of life in their community.

We cannot repeat often enough how much we appreciate their commitment and the services they provide. Volunteers have become an essential and vital part of Canadian society and a major economic resource.

Through their work, volunteers have made a major contribution to this country. We have everything to gain as a society by maintaining this tradition of generosity and caring.

I suggest we take this opportunity to urge people to join those 13 million volunteers across the country. Since this is their week, I think it is appropriate to say how proud we are of what they do, and I want to say: thank you.

* * *

[*English*]

YOUNG OFFENDERS ACT

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, the former Minister of Justice, the current defence minister, promised additional amendments to the Young Offenders Act. We never saw them. The new minister suggests that some young offenders be publicly identified. However in a letter to a victim's family he says just the opposite, that publication of the young offender's identity may foster an illusion of public safety.

Canadians are tired of empty promises and illusions. They demand substance. The village of Belcarra in my riding of Port Moody—Coquitlam wants a full review of the youth justice system, a national and public gathering of those who have something to say about youth crime and a frank discussion of what is wrong with the act. So far 124 B.C. municipalities agree.

I support this effort. We need to know the full extent of youth crime and what is happening with present youth court sentencing, post-custody supervision and rehabilitative programs before we can make improvements to the act.

• (1405)

I hope the Minister of Justice is listening to the village of Belcarra and the other voices in Canada that are calling for a review of youth crime and our response to it.

* * *

POVERTY

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, there are now over four million Canadians living under Statistics Canada's low-income cut-off line.

A woman from my riding is one of those Canadians forgotten and ignored by the current administration. The woman in question was disabled in a car accident two years ago. Since that time she and her son have had to face the horrific reality faced by 47,000 Manitobans, the horrific reality of poverty.

This includes having to make do on less than $20,000 annually for a family of two; being forced, in her case, to cover the cost of medication not covered under Pharmacare, in excess of $1,000 a year; and facing financial

barriers to post-secondary education, where she could do more for herself and her son. That is not to mention the emotional problems and stress involved in trying to get by with so little.

[*Translation*]

On top of that, Tories in Manitoba are blindly imitating their federal counterparts and making irresponsible cuts in programs targeted to the neediest in our society.

It is time Canada and this government showed they are prepared to fight poverty and the very serious problems it generates.

* * *

[*English*]

EARTH DAY

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, tomorrow, April 22, is Earth Day. Earth Day reminds us of the precious living treasures we share in our common home, Earth, and that although we have a right to use these gifts there is an equal responsibility to preserve and improve the earth and the quality of life it supports.

Earth Day 1993 is dedicated to a tree planting theme. It is a fitting theme, as the planting of trees is symbolic of environmental awareness and commitment.

In the words of the dedicated individuals of the Earth Day Canada Organization:

> The image of putting down roots and contributing to the future gives us a feeling of well-being and a connection with nature.

In addition, the tree planting theme is a good complement to the government's Tree Plant Canada program initiated under the green plan. The $75 million, six-year initiative is designed to foster and encourage the planting of up to 325 million trees in Canada.

Those involved in making this year's Earth Day theme a reality deserve our thanks and the thanks of generations yet to come.

THE ECONOMY

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, in the very near future the Minister of Finance is expected to present a new budget in the House.

What do Canadians have to show for nine years of Conservative economic management? Thanks to unending tax increases the average middle class family now spends almost $2,000 more per year than it did in 1984. That family now spends 44 per cent of its income on taxes and real after-tax income has declined.

Conservative economic management also gave us the worst recession since the Great Depression. We now have over 1.5 million Canadians unemployed, 2.2 million on welfare and 2 million relying on food banks.

We have lost 325,000 manufacturing jobs since 1989 and over 200,000 people and small businesses have gone bankrupt.

It is clear it is time for change.

* * *

EXTERNAL AFFAIRS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I rise today to draw attention to a case of great concern to thousands of Canadians and more specifically to people in the Fraser Valley.

Two young Canadians, Christine Lamont and David Spencer, have been serving time in a Brazilian jail since 1989. These two people were arrested for their involvement in the kidnapping of a wealthy Brazilian businessman. They denied knowledge of the kidnapping but were convicted and sentenced.

I know the government, specifically the minister of external affairs, has maintained a strong interest in this case and made efforts through diplomatic channels on behalf of these two Canadians. As well, a treaty between Brazil and Canada to facilitate prisoner transfers is completed and awaits ratification and implementation.

There have been reports of terrible conditions in Brazilian jails. As well, there are indications that sanitary conditions in some jails are below adequate standards. I

realize that information from the media does not give the full picture but it does raise concerns.

Considering the conditions that Lamont and Spencer find themselves in and the unfinished nature of the prisoner transfer agreement I ask if there is any further assistance the minister and her officials can give these people.

* * *

• (1410)

NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Mexico's lack of financial resources makes it necessary for the government to ensure that NAFTA, if implemented, works to improve the environment through environmental standards that would be enforced in Mexico as well as at home and in the U.S.A.

One approach would be to impose trade sanctions. A better approach would be to launch funding initiatives such as creating a North American development bank. It would provide Mexico with funds to construct sewers, sewage treatment plants and water purification systems as well as finance programs to reduce pesticide use, increase energy efficiency, improve public transportation and reduce pollution.

The bank could trigger private sector financing with the result of substantial benefits in the form of improved human health and quality of life, a clean environment and a healthy economy.

Will the government adopt this approach or accept the indifference shown so far by the Minister for International Trade?

* * *

[*Translation*]

AIR TRANSPORT

Mr. Louis Plamondon (Richelieu): Mr. Speaker, the National Transportation Agency is now holding public hearings on the acquisition of 34 per cent of Canadian International shares by American Airlines, the U.S. giant.

By approving this transaction, the government would sign the death warrant of the Gemini reservation system, and any chances of having a genuine Canadian transportation network would be doomed.

In its push to promote competition at any cost, the Tory government is about to turn our Canadian carriers into mere northern arms of major U.S. carriers.

Last summer the Minister of Transport openly sided with PWA against Air Canada, with Calgary against Montreal, by spending enormous sums to subsidize Canadian. He has opted for competition regardless of the cost, to the detriment of the civil aviation industry in this country.

If he really wants to let the market decide, the minister should stop giving in to pressure from the west and allow the creation of a genuine Canadian monopoly with international stature. Most major countries in the world have this kind of system, something they can be proud of.

* * *

[*English*]

GOVERNOR OF THE BANK OF CANADA

Mr. Girve Fretz (Erie): Mr. Speaker, here is something to crow about.

I quote from an article in *The Globe and Mail* entitled "Confidence in Mr. Crow". It says:

> Mr. Crow has scored an impressive hat trick: low inflation, low interest rates, and a lower exchange rate. He has achieved all three, however, because he had just one goal in mind: low inflation. It is useful to think what would have happened had he not been so single-minded. As inflation rose, Canada's creditors would have sold our bonds, and gone on selling until interest rates rose enough to compensate them. Foreigners dumping their Canadian dollar holdings would have set off a cascading decline in the exchange rate, far overshooting its long-run value. With the prices of domestic and imported goods rising, workers would have demanded higher wage increases, and we'd be off on another inflationary spiral. Without confidence, all is lost.

That is the Crow rate. To the opposition I say: "Let them eat crow."

Oral Questions

MANUFACTURING INDUSTRY

Mr. Jim Peterson (Willowdale): Mr. Speaker, since the Conservatives took office Canadian manufacturing productivity has grown at only two-thirds the rate of the G-7.

Over the past four years Canada has lost 365,000, or 18 per cent, of its manufacturing jobs. To help reverse this decline and increase our competitiveness the Canadian Manufacturers' Association is proposing to introduce ISO-9000 quality standards, already adopted in Europe and Japan, to Canada.

The CMA has even offered to run this program for the government and can do so for less money than this government spent on its still-born prosperity agenda.

Now that the government has the opportunity to do something really practical, it refuses. Other governments work co-operatively with their manufacturers but not ours. It is little wonder we are mired in 11 per cent unemployment. We urge the industry minister to reconsider his refusal to co-operate with our Canadian manufacturers and introduce this ISO-9000 program.

* * *

NATIONAL VOLUNTEER WEEK

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, this week is National Volunteer Week.

I would like to remind members of this unique national program sponsored by the Department of National Health and Welfare. This program recognizes the enormous contributions of volunteers to their communities and to their country as a whole.

Since 1977 hundreds of caring and committed Canadian volunteers have been recognized through the Canada volunteer award program. Each year the department presents Canada volunteer award medals and certificates to those Canadians who have made outstanding voluntary contributions toward improving the health and social well-being of their fellow citizens.

• (1415)

I invite all people, all members of this House, to promote volunteerism within their communities and to recommend worthy individuals for next year's awards.

* * *

GOVERNMENT EXPENDITURES

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, the Minister of Finance has been told by the Chamber of Commerce to cut social programs, unemployment insurance, and federal support to Canadians and their families. This approach of forcing the burden of paying off the huge debt that the Liberals and Conservatives have created onto the least affluent in Canada has been a disaster.

Statistics Canada tells us that 94 per cent of our debt is a result of high interest rates and tax breaks to the rich and profitable corporations and only 6 per cent is a result of government program spending, all spending not just social spending. Yet this government insists on trying to solve the problem by attacking social programs.

The contrast to deficit control measures of provincial governments is striking. The New Democrat approach in Saskatchewan has the support of a substantial proportion of the population and has been one of compassion so as to spare the least affluent as much as possible.

There is a better approach. Before the Minister of Finance finalizes his budget I hope he will contact the minister of finance of the New Democratic Government of Saskatchewan to get her advice on how to actually reduce the deficit and do so without attacking the most vulnerable in our society.

ORAL QUESTION PERIOD

[*English*]

EUROPEAN BANK OF RECONSTRUCTION AND DEVELOPMENT

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister.

We learned this morning from the press that there is a fantastic story developing in Europe in relation to the European Bank of Reconstruction and Development.

We are told of unbelievable expenditures there for staff and of millions of dollars for marble, furniture, bars and dining rooms. They spent two-thirds of the money on themselves and one-third of the money to help countries in need.

According to the British press there was only one director who stood against the wishes of the bank's president, Mr. Attali, and it was Mr. McCutchan, the Canadian representative. We have learned that he has been called back to Canada.

We would like to know why a Canadian who takes the interest of the taxpayers not only of Canada but of many other countries into consideration, who is doing his job, has been called back at the request of the Canadian government.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, first and foremost this is not a new story. It is about 10 days old. It is interesting that the Leader of the Opposition is now getting engaged in it.

Let me say at the outset that the Government of Canada fully supports the goals, objectives and aims of the EBRD, particularly with respect to the reform process, the privatization process, and particularly as it relates to developments in central and eastern European countries and the countries of the former Soviet Union.

The fact is that our director did take issue with the expenditures on the advice of the Government of Canada. We have a policy that is consistent throughout—

Ms. Copps: Why did you fire him?

Mr. Mazankowski: Why did we fire him? This is the kind of nonsense, babble and drivel that is misleading to the Canadian people.

This person is an employee of the Department of Finance. There is a normal rotation process. We have just recently rotated the personnel out of the IMF and Mr. Scott Clark, who was with the IMF as Canada's representative for two and a half years, has been called back to Canada. This is part of the normal process. We continue to fully support the position taken by Mr. McCutchan because it is consistent with government policy as it applies at home and as it applies abroad to other IFIs.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, he took exception to what was going on there and the director general of that organization was under heavy criticism in Europe.

I would like to know from the Prime Minister why he called Mr. Attali to give his support. I quote what Mr. Attali said in his defence: "Brian Mulroney has just telephoned me to express his support".

Mr. Attali cannot get support anywhere in Europe. The only support he is getting is from the Prime Minister of Canada when the Minister of Finance of Canada and the director he had appointed had expressed dissatisfaction with the attitude of Mr. Attali. Why is the Prime Minister double-crossing his Minister of Finance?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with comments like this it is no wonder that yesterday John Munro, a former Liberal cabinet minister, was calling for the resignation of the Leader of the Opposition.

The issues were entirely different. The minister said that Mr. McCutchan acted under the instructions of the Government of Canada which he did. He is a nominee. He is an employee of the Department of Finance. He operates pursuant to instructions of the—

Ms. Copps: What did he promise you?

An hon. member: Why does she get special privileges of talking?

Mr. Mulroney: Mr. Speaker, I would be happy to try again.

Mr. Speaker: The right hon. Prime Minister.

Mr. Mulroney: Mr. McCutchan is an employee of the Department of Finance. He is a nominee of the Department of Finance. He operates pursuant to instructions of the Department of Finance.

The budget that was brought forward by the EBRD was voted against by Canada, the only country, pursuant to a decision of this government to instruct its nominee to cast a ballot against that budget. It was because we had questions in regard to some of the administrative practices of that budget.

The question that my hon. friend refers to involves a commitment by the Government of Canada to support

Mr. Attali in the policies that he is pursuing as chief executive officer of the bank in regard to its development in eastern Europe and Russia where it is widely recognized that it has performed a tremendously useful series of actions and Canada supports those. I support and my government supports Mr. Attali as he pursues those objectives.

We have clearly supported him and those objectives and we have voted against any abuses in public finances as we would hope the member here would vote against any abuses in public finances in Canada.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, the Prime Minister cannot have it both ways. He tells us that what Mr. Attali did is completely unacceptable.

Why is the only head of government in the world that Mr. Attali is using to justify himself, the Prime Minister of Canada? If Mr. Attali is incompetent, as the Minister of Finance says, the Prime Minister of Canada had no obligation. On the contrary, he should have called Mr. Attali and asked him to resign.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there are two completely wrong statements in what the Leader of the Opposition said.

He said that I found what Mr. Attali did completely unacceptable and he also said that the Minister of Finance referred to Jacques Attali as incompetent. That is completely false. The two statements are wrong.

I clearly explained that we supported Mr. Attali as chief executive in pursuing important policies of the bank for Europe and Russia, but that we had instructed our agent to vote against a budget where there were administrative abuses. The two are perfectly reconcilable and there is nothing wrong there. Let us stop dealing in gossip and talking nonsense like the Leader of the Opposition.

[*English*]

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, let us try to understand from the minister's reply the situation as it is today.

Back in January we had an expression of concern from the Minister of Finance to the President of the European Bank for Reconstruction and Development about the way in which the bank was being administered.

Then the Canadian director was instructed by the government not only to express further concern about the administration of the bank but to vote against the 1993 budget. The Canadian director was the only director who did so.

Then the Prime Minister, according to the London press and the president himself, called the president and said he had the "continued support" of the Canadian government. The Prime Minister today says the Canadian support relates only to the activities of the bank in eastern Europe. It does not relate to the administration of the bank. We voted against his administration we criticized the bank's administration. Which is it?

Are we dividing our support for the bank? Are we saying on the one hand that the administration is no good at all, we agree with the British and others on that but on the other hand it is doing all right in eastern Europe?

Would the Prime Minister or the Minister of Finance please tell the House what the Canadian policy is *vis-à-vis* the bank.

• (1425)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would be glad to respond to that because I know the hon. member would understand that when we apply a policy we apply it consistently across the board to all international financial institutions.

In that regard, in January I sent a letter to all of my G-7 colleagues expressing concern about the expenditures by all international financial institutions, including the World Bank, the IMF and the EBRD. As a matter of fact in part I said: "We are all attempting to minimize public service costs and constrain wage expectations and in comparison recent increases in IFIs, international financial institutions, administrative costs appear to be definitely out of line". I went on to say: "In my view IFIs should not be exempt from the realities facing the private sector and the governments of each of our countries."

What was happening was that our director was following through on government policy and voted against what he considered to be an excessive budget, as we have voted against excessive pay increases in other financial institutions as well, and so the policy is consistent right across the board.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, I think we should pursue this chronology a little further.

The minister says that the Canadian representative was carrying out the instructions of the government, as well he should. Then within days of voting against the 1993 budget, of voting against the administration of the president, our director is pulled out of London. He is brought home, but the minister says this is merely regular rotation in the foreign service.

I was in the foreign service. I know what regular rotation is. This is not regular rotation. Mr. McCutchan had not finished his regular three-year term at the bank.

Mr. Mulroney: He did not have a three-year term.

Mr. MacLaren: The government brought him out against the background of the Prime Minister's statement that the president still has the "continued support" of the Canadian government despite the abuses that we have seen.

Let me ask the minister this. The Minister of State for Finance is replacing him next week at the annual meeting of the bank. Is it the minister's instruction to pursue the lines that Mr. McCutchan has pursued and if so, why is Mr. McCutchan being withdrawn?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Finance has indicated that in the normal course of events, as my hon. friend knows, there is rotation for all representatives in the—

Ms. Copps: That's not what he said.

Mr. Mulroney: My hon. friend says three years. That is false, absolutely false. The representative for the IMF has just been returned after about two years.

Ms. Copps: That's what he said. Two years.

Mr. Mulroney: And they vary from institution to institution.

Some hon. members: Oh, oh.

Mr. Mulroney: This is the normal course—

Mr. Speaker: I think it might be wise if when a minister is answering or a member is putting a question all members gave that member the courtesy that should properly be extended to them. The right hon. Prime Minister.

Mr. Bouchard (Roberval): How about a few manners?

Mr. Mulroney: And so I want to just tell my hon. friend—

Some hon. members: Oh, oh.

Mr. Speaker: The right hon. Prime Minister.

Mr. Mulroney: Maz, don't heckle Sheila.

Some hon. members: Oh, oh.

Mr. Speaker: Perhaps we could get on with it. The right hon. Prime Minister.

Mr. Mulroney: Sheila, don't heckle Maz.

By way of illustration and in response to the substance of the question of my hon. friend, the Government of Canada has registered personally and in writing very strong disagreements with the United Nations, for example, about the administrative practices of the United Nations, where we have sought reforms. We have voted against budgets because we thought they were in disagreement with the objectives that we ought to be pursuing. That did not mean that we did not support the United Nations or the objectives that it was pursuing or that we did not support Perez de Cuellar at the time. We supported him actively while disagreeing with administrative practices in his organization. That is exactly what has taken place here.

* * *

• (1430)

THE ECONOMY

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

The finance minister claimed last week that the dominant issue facing Canadians was the deficit and that the way to tackle this deficit was to continue the failed Tory economic policies that we have had over the last nine years. I might add that the same failed policies have more than doubled the debt since this government came into power and have resulted in this government being $10 billion over its target for deficit reduction had been.

It is clear that the government's economic policies have failed Canadians, have failed to reduce the deficit and have failed to reduce the debt. Will the minister consider changing course, making the choices that will

address both the fiscal deficit and the tragedy created by increasing unemployment in this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, most Canadians believe and hopefully some day the leader of the NDP will believe in the concept that deficit reduction and control of the debt are key to growth in the economy, key to the creation of jobs and key to confidence in the economy. Even her friend, the premier of the province of Ontario, is starting to realize that.

Clearly the premier of Saskatchewan realized that fact when he brought in a very tough and difficult budget. That budget can clearly be termed as nothing other than being a tight-fisted budget, a budget that is touting austerity as the headline in *The Financial Post* alluded to this morning.

I know that there is a fundamental difference in economic philosophy as it applies to the government and the New Democratic Party, but I think we are on the side of Canadians when they have clearly registered in massive numbers their concern over the deficit. We hope to address that in the budget when I bring it down.

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

There is no question of the concern that everyone feels about the deficit and the debt. There is a real debate about how we address that and whether we address it by creating unemployment and more unemployment as this government has done or whether we address it by reducing unemployment so we can create more taxpayers to truly address the debt and the deficit.

This government's policies have cost Canada over 400,000 manufacturing jobs. Not only do we see the loss of jobs, but we also see the loss to communities and individuals. Today we have representatives from 2,500 workers who will lose their jobs if GM closes its foundry plant in St. Catharines. This is the human face, the real face of unemployment, the real result.

If the minister wants to convince somebody about changing opinions he should talk to the one in four Canadians who are looking for jobs because they know that is the real problem.

Since the Minister of Finance is going to be bringing in a last budget before the election, will he really begin to address those 2,500 workers from St. Catharines and the 1.5 million other unemployed and those 2 million underemployed and provide some hope and work for Canadians so we can truly address the debt and the deficit?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. leader of the NDP got so wrapped up in her rhetoric she has now got the unemployment at 25 per cent. That sort of misleading nonsense does not augur well for creating confidence in the Canadian economy.

I remind the hon. member that we have had eight consecutive months of employment increases. As a matter of fact there have been 202,000 full-time jobs created since August.

Mr. Langdon: Tell it to the gallery.

Mr. Mazankowski: If the hon. member from Essex wants to ask a question I will answer it. I would hope that he would give me the courtesy of replying to his leader. The fact of the matter is that there are a number of policies that we have put in place that are showing signs of promise. She mentioned the manufacturing sector.

• (1435)

Mr. Barrett: How many Tory senators have you named?

Mr. Mazankowski: Just the other day it was reported by Canadian Press—

Mr. Speaker: Perhaps we could move on to the next question. The hon. member for Yukon.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the government is always repeating that Canada must be competitive internationally, so there will be no program to put people back to work.

The European Community has just agreed on a huge program to put Europeans back to work and the same thing is happening in Japan and the United States.

When the only thing that Canada seems able to create now is unemployment, how can this government say that it wants to make the country competitive with the present unemployment rate?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, perhaps I can complete the answer to the earlier question.

I guess the NDP had a bad caucus today. Those members do not want to hear any good news. The Canadian Press reported yesterday or the day before that Canadian manufacturing order books were overflowing in February as the outlook for the industry continued to improve.

Statistics Canada reported today that unfilled orders jumped by 5 per cent from January, the largest monthly rise in five years, to reach $22.6 billion. If that is not a sign of confidence and if that is not a sign that our policies and programs are working, I do not know what is. I do not know what more evidence they want.

* * *

THE BUDGET

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance.

Why has the minister been unwilling until now to give us a firm date for his next budget? Is it because the political well-being of the Conservative Party is more important to him and his government than the economic well-being of Canadians and their need for a lot more jobs and a lot more economic growth than they have had so far?

I ask the minister, will he give us a firm date for his next budget today and in fact right now?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): I want to assure the hon. member, and he knows and I know he will believe me, that I always will place the interests of Canadians and the interests of the Canadian economy first and foremost, and I will do it on this occasion as well.

Hon. Herb Gray (Windsor West): Mr. Speaker, the House and Canadians will note that the Minister of Finance has still not given us a firm date for his next budget.

I again ask him to do so. If he cannot do so today would he explain why he cannot do it since we have been waiting since last February. Why can he not do that and give us an undertaking that his next budget will be different from all his other budgets so that unlike those other budgets, they will create a lot more jobs and a lot more growth for Canadians? Why can he not give that commitment and give us the date for his budget today at the same time?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, in December I issued an economic statement which I think was well received across the country. A number of those initiatives are being put in place.

I can assure the hon. member that I will give him the date of the budget today.

* * *

[*Translation*]

MONTREAL ECONOMY

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Prime Minister. Tonight, the candidates for the leadership of his party are meeting in the Canadian city that is suffering the most from his government's policies, namely Montreal. As we now know, these candidates have nothing to say about how a government must ensure that there is economic growth.

For a long time, the city of Montreal and the Quebec minister of industry have been demanding a real national industrial policy as a precondition for recovery in Montreal, but they have had no answer from the federal government.

How many more jobs and how many poor families must be sacrificed before this government and its candidates see that they are right?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the member for LaSalle—Émard takes a much too simplistic approach to what the federal government is doing in Montreal and in Quebec as a whole. He knows very well that of the $8.5 billion invested by business and government in Quebec and in Montreal, $5 billion is from the federal government. He knows that I personally signed a $300 million agreement with the person he named, the Quebec minister of industry, who said then that the co-operation between Quebec and Ottawa was the best Quebec had seen in 20 years.

• (1440)

The federal government, through agreements and particular programs, is active in all sectors of the Montreal economy and I think the Government of

Quebec and Quebecers are aware of it. Nevertheless, we must face the economic problems that confront all countries of the world. In co-operation with the Government of Quebec we have done our job and we will continue to do so.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, the Quebec minister of industry stated very clearly in Davos that the big problem is the lack of a national industrial policy and that the federal government was to blame for that. He was right.

The Prime Minister and the minister continue to give trivial answers while thousands of people are suffering in Montreal.

In view of the obvious lack of economic vision of the Tory candidates, can the minister at least assure us that in its next budget the government will finally bring forward positive measures, not only cuts but specific measures to support the small and medium sized businesses in Montreal, Quebec and Canada, to provide training for single mothers and to create jobs and employment opportunities for young Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the hon. member for LaSalle—Émard accuses the Canadian government of being trivial and nonspecific in its actions with respect to the greater Montreal area.

I have an article identifying Montreal as the heartland of research in Canada. It reads as follows: "The Montreal area is a centre of attraction for pharmaceutical research in Canada. This high-technology industry employs 8,000 people in Quebec, where 47 per cent of total spending on research and development in Canada is made".

That is a vital action in a critical area of our national life, in Quebec and in Canada. It is important to note that the bill that generated such extraordinary employment in the Montreal area was opposed by the hon. member for LaSalle—Émard. In fact, every Liberal member of this House voted against that bill, which is so crucial for the future of Montreal.

[*English*]

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Mr. John R. Rodriguez (Nickel Belt): My question is for the Prime Minister. It deals with the European Bank for Reconstruction and Development. This bank, I might remind you, Mr. Speaker, as of last month spent twice as much on itself as it spent on the reconstruction of eastern European economies.

In the answer to a previous question the Prime Minister said that Canada often complains about the administration of the United Nations through its ambassador. However I do not recall shortly after an ambassador to the United Nations complained about the administration of the UN us pulling the rug out from under the feet of our ambassador and recalling him.

The fact is that Mr. McCutchan voted against the 1993 budget and he publicly criticized the profligate spending habits of Mr. Jacques Attali.

Will the Prime Minister not agree that he is sending the wrong message to Canadians when he recalled Mr. McCutchan for doing the job for which he was sent to this bank to do, to be a watch-dog for Canadian tax dollars?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I agree with my hon. friend. Mr. McCutchan, who is our nominee and an employee of the Department of Finance, voted against the budget. He did not wake up in the morning and decide he was going to vote against the budget. He consulted with the Department of Finance and received instructions from the Minister of Finance to vote against the budget.

All he was doing was doing his job because there were administrative problems there that left us dissatisfied as a government. Obviously he was fulfilling the wish of the Government of Canada, as we have recently conveyed our views to the IMF and the World Bank with regard to salary increases there and as we have to the United Nations in the past. He was doing his job and he did it well. He reflected the interests of the Government of Canada.

• (1445)

The rotation is one that takes place in the normal course of events. I do not know why my hon. friend fails to recognize and acknowledge that.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have a supplementary question. This has to be the only government that treats somebody who does his job with recall.

It was reported that Mr. McCutchan's recall came shortly after the Prime Minister had a meeting with Mr. Attali in a Canadian forces jet.

This is a time when the government is telling Canadians that they have to tighten their belts, that we have to reduce the debt and the deficit, and that they have to make sacrifices.

My question is for the Prime Minister. When the Prime Minister had a choice to make between the responsible actions of Mr. McCutchan and the extravagant Gucci tastes of Mr. Attali, why did he once again opt for the life-style of the rich and the famous?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have never had a meeting with Mr. Attali on a Canadian forces jet.

Ms. Copps: You just brought him over.

Mr. Mulroney: No, we did not bring him over on a Canadian forces jet. Wrong again. Wrong, wrong and wrong again. It might be good if you got your facts straight.

Mr. Riis: Tell her the facts.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to go back to the Prime Minister on the European bank scandal.

The Prime Minister speaks about administrative problems. The fact is that instead of helping the people of eastern Europe the president of the bank, Mr. Jacques Attali, has helped himself to $5 million for custom door frames and wall panelling, $2.5 million for an Italian marble floor, $1.5 million for Italian marble for the bank's elevators, more than $1,000 each for 600 desks, nine private dining rooms, and a private bar with 70 designer chairs. The whole project is being personally overseen by Saddam Hussein's architect.

Mr. McKnight: I don't know why they voted that way.

Mr. Beatty: Even Chrétien has a hard time keeping a straight face.

Ms. Copps: Why did the Prime Minister recall the only person with the guts to stand up against this outrageous extravagance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend lays out the administrative problems in the bank and the allegations there. Now she knows why we instructed Mr. McCutchan to vote against the budget.

I know my hon. friend would like to hold me responsible for a lot of things but even she will give me a break on Saddam Hussein's architect.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary is for the Prime Minister.

Given the outrageous extravagance of the President of the European Bank, why did President Attali himself say: "Brian Mulroney has just telephoned me to express his support?" Why does the Prime Minister give his support to the President and send home his own representative at the European Bank?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Jacques Attali is a senior French civil servant. He was François Mitterand's chief of staff for 10 years and he was highly respected throughout Europe. He was the unanimous choice of the heads of government of Europe, of the President of the United States and of the Prime Minister of Canada and his government to assume these new responsibilities. He was given the mandate of establishing an international institution in the heart of London in a very short time.

• (1450)

In retrospect, there is no doubt that some administrative mistakes were made. It is for this reason that we instructed Mr. McCutchan to vote against it. However, we totally reject the implication that Jacques Attali is incompetent, as the Leader of the Opposition claims, or dishonest. Mr. Attali is an honest and upright man who is doing an important job in Europe. We can correct the management errors not by destroying the bank or by unduly tarnishing the reputation of Jacques Attali, as the hon. member is doing.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister.

The Prime Minister may try to twist and turn but the reality is that Canadians are not amused. At a time when they are being promised a tough budget we know that $129 million U.S. of Canadian money has been committed to this bank. We know that over twice as much money has been spent on headquarters, extravagance and payroll as has been spent on reconstructing and rebuilding eastern Europe.

We know that a representative of the Minister of Finance who sits to the right of the Prime Minister has confirmed that Mr. Attali had asked for Mr. McCutchan's removal. He had complained about the fact that he had opposed extravagant expenditures and as a member of the board had voted against the budget of the bank.

Will the Prime Minister or the Minister of Finance confirm that the president of the European Bank had indeed asked for and petitioned for the removal of Mr. McCutchan?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the answer to that question is no.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I want to ask a question of the Minister of Finance again. I want him to understand because he looks decidedly uncomfortable sitting to the right of the Prime Minister today.

Mr. Beatty: It beats sitting to the right of Sheila.

Mr. Tobin: Will the Minister of Finance verify that the president of the European Bank for Reconstruction and Development oversaw more than two times the amount of money being spent on extravagance and waste as was spent on rebuilding eastern Europe?

Is he telling us that there was no word of complaint whatsoever from the president or his representative to the Canadian government about the fact that Mr. McCutchan was the only official who stood up and said no to the extravagance at the European Bank?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I answered no to the first question, because the hon. member suggested that President Attali asked for the removal of Mr. McCutchan. The answer to that question was no.

In so far as the actions of Mr. McCutchan are concerned, he carried out instructions pursuant to our policy. As far as I am concerned the record stands and his record clearly speaks for itself.

The fact of the matter is that this is part and parcel. I am not aware of any complaint made by Mr. Attali.

Mr. Tobin: Or?

Mr. Mazankowski: Or who?

Mr. Tobin: Or his representative.

Mr. Mazankowski: I am not aware of that. The fact of the matter is that there is very clear knowledge that our director, one of the 23, voted in the manner in which he did consistent with the policy of the government, as we have in the case of other international financial institutions.

The reference to the letter I wrote to my G–7 colleagues is part and parcel of the policy we have been following as a government.

* * *

NATIONAL DEFENCE

Mr. John Brewin (Victoria): Mr. Speaker, today I received a highly credible report.

Some hon. members: Oh, oh.

• (1455)

Mr. Brewin: I would ask the government to take this report seriously because the reputation of Canadian peacekeepers is at stake. I am prepared to share the details of it with the government.

In February an unarmed Somali civilian was shot by Canadian forces in Belet Huen. That is one item in the report. The second is that the Somali who was killed on March 4 was unarmed. It was in fact a deliberate homicide against this unarmed Somali. Along with the March 16 homicide which the government has conceded is a homicide there was a persistent and deliberate cover-up of these incidents attempted, at least by the Canadian commanding officials in the area.

Was the government aware of all this? Will the government agree that there should be an immediate independent investigation of all this by the government and a report back to the House as soon as possible?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I am absolutely astounded, Mr. Speaker, that the member for Victoria would malign and slander the Canadian Armed Forces in the way he has just done.

Those incidents, every one that he has talked about, were announced by way of press release in Mogadishu in theatre as is customary. In every single issue there is an investigation started. Until now everybody else in the House, except apparently the hon. member, recognized the presumption of innocence until the investigation is complete and the courts have ruled.

Mr. John Brewin (Victoria): Mr. Speaker, the families of the Canadians involved have been asking for the facts to be made public. They do not know what is happening and the government refuses to tell them. The public does not know what is happening. The Canadian forces do not know what is happening.

I agree the rights of individual Canadian soldiers have to be covered, but beyond that there must be a concern for the relations between Canada and the Somali community and for Canada's peacekeeping reputation. It is a reputation which has led to these reports coming to us.

Would the government not agree that there should be a public inquiry into what is happening and that the Minister of National Defence should be held accountable for her administration of Canadian forces in Somalia?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, what is happening and what every hon. member in this House except apparently the hon. member recognizes is that anybody under investigation is completely innocent until a court decides otherwise.

As has been the custom in this House for as long as I have been here, every hon. member has respected the tradition of not interfering with investigations particularly dealing with criminal matters.

There is no limit to the level the hon. member in his anxiety to despoil the reputation of the Minister of National Defence will stoop.

THE BUDGET

Mr. Clément Couture (Saint-Jean): Mr. Speaker, my question is for the Minister of Finance.

After extensive consultation by the government concerning the 1993-94 budget, I would like to ask the Minister of Finance at this time and after a second question has been asked if he has completed all his investigation and consultation. Would he be ready today to announce the date that he is going to be presenting the budget to the House?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I thank the hon. member for that very sensible question. I advise him that I have completed the formal consultations. I have completed all the logistical and technical aspects of the budget. I am pleased to inform the hon. member and announce to the House that—

Mr. Martin: Next Tuesday?

Mr. Mazankowski: No, it will not be next Tuesday. I will be bringing a budget down on Monday, April 26.

* * *

• (1500)

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, in the absence of the minister of fisheries perhaps I could put a question to my good friend the minister of employment.

He will be aware of the problems in the Atlantic fishery with the quota cuts and the plant closures and so on. I wonder if he would indicate to the House whether he knows if his colleague the minister of fisheries, who admitted yesterday that present programs are not quite enough, is going to be making that announcement about a new compensation package today, or how soon we can have that package for the people in Nova Scotia, the Gulf of St. Lawrence generally and Newfoundland?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, soon.

[*Translation*]

PRIVILEGE

HON. MEMBER FOR SAINT-HUBERT—DIVISION ON BILL C-62

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, today I am raising a question of privilege concerning the manner in which division No. 458, held yesterday on Bill C-62, was tallied and reported in *Hansard* of April 20, 1993.

Mr. Speaker, I would appreciate being able to make myself heard.

[*English*]

The Acting Speaker (Mr. DeBlois): Order, please. I ask the co-operation of all members to give the hon. member the time and atmosphere to present her question of privilege.

[*Translation*]

Mrs. Venne: Mr. Speaker, as I was saying, I am raising a question of privilege with respect to yesterday's vote. I will now continue my remarks.

Yesterday at 3 p.m. the Acting Speaker called in the members to put the question on Bill C-62. After the bells rang for 15 minutes, the Acting Speaker read the motion and asked all members who were in favour of the motion to rise. After all Conservative members had voted, the Acting Speaker rose and asked all those opposed to please rise. The Liberal leader rose, with all Liberal members present, as did the members of the New Democratic Party, and we in the Bloc Quebecois did the same.

Subsequently, the Acting Speaker rose and again asked those opposed to please rise. We in the Bloc Quebecois immediately voiced our disapproval of this procedure, which created considerable confusion in the House and led me to rise on a point of order. My point of order was not allowed until after the Clerk had read the results of the vote, which was 223 yeas and no nays.

My point of order was duly reported in *Hansard* of April 20, at page 18183. In my point of order, I mentioned to the Acting Speaker that we had voted against the motion. However, the Chair did not bother to reply or even comment but instead proceeded with the question on the main motion.

I have a video of what happened yesterday during the vote. If you wish, I can leave this copy with you as evidence.

My colleagues and I were quick to express our disagreement even before the results of the division were read. Beauchesne's fifth edition, citation 223(5), page 76, has this to say:

> An error noted during a division may be corrected before the total is announced.

• (1505)

As I said before, I raised a point of order immediately, as indicated in the same edition of Beauchesne's *Parliamentary Rules and Forms*, page 78, citation 235.

Consequently, I ask that division No. 458 be recorded in *Hansard* to reflect how the members of the Bloc voted, which was "nay", and that *Hansard* of April 20, 1993 be corrected accordingly. I ask this only on behalf of the members of the Bloc Quebecois, since the Liberals and the New Democrats did not ask me to speak on their behalf.

However, Mr. Speaker, if you think that my question of privilege is a reflection on a vote of the House in the meaning of Standing Order 18, I would ask that Division No. 458 be rescinded.

[*English*]

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I do not wish to have a long intervention but my colleague has made some comments which I think have to be given due consideration.

I remind the House that there is such a thing in law as an innocent mistake. I do not wish to dispute the facts my colleague has referred to because I think, by and large, she is almost completely accurate.

Yesterday there were two votes. The first vote was that the motion be now read and the second vote was that the motion be now referred to the appropriate committee.

On the first motion, members of the government stood and when the last member of the government sat down, the Leader of the Official Opposition stood in his place. At the same time, and this is where I think the innocent mistake may have come in, the Chair assumed that the Leader of the Opposition would be rising in his place to oppose that motion. I think that was where the mistake

was made. We hollered and raised our voices to the Chair and the Chair understood and proceeded by taking those names, which has led to the conclusion my colleague has made reference to.

Mr. Speaker, I do not know if there is an actual question of privilege here, but you might want to review the tape my hon. colleague has made reference to and perhaps comply with her request. I think it was evident from the Bloc Quebecois' subsequent to it that the Bloc Quebecois were opposing both the motion that it be now read, which is the procedural aspect, and the second motion which was to the substance, that it be referred to the appropriate committee.

I am not standing to support the members' cause. I am not standing to say their cause is not valid but I hope the Chair, under the guise of fairness and because it was an innocent mistake, will take a look at this and report back to the House at his earliest opportunity.

[*Translation*]

Hon. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I would especially like to have the attention of our colleagues on the majority side. I did witness the situation yesterday and quite an innocent error was made, but we could correct it quickly. Everyone admits that there was a mistake and I respectfully submit to you that if the House desires, we could resolve the problem immediately. We do not have to put it off till tomorrow, but do it immediately, not by recognizing that there was an error but by strongly suggesting that the votes of members who were really caught by surprise yesterday be considered as votes against. We could immediately end the incident now.

[*English*]

I hope we can end this immediately by simply recognizing that yesterday, without a shadow of a doubt as my hon. leader said so well, an innocent mistake was made. Instead of referring that to you, Mr. Speaker, for your consideration, perhaps the House would be kind enough to give unanimous consent so we can correct that vote right now. By saying that the vote it attributed to the bloc yesterday as having supported would simply be opposed, that would be the end of the incident. Otherwise he will have to review it as it was put by the hon. member for Saint-Hubert and then come back for a final decision.

• (1510)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I listened carefully to the representations made to me by the hon. member for Saint-Hubert, the House leader of the opposition and the member for Saint-Denis, who I thank for their advice and opinions.

I think it prudent under the circumstances for the Chair to take this matter under advisement and review the video tape and *Hansard*, to be able to suggest to the House as soon as possible a way to resolve this question to the satisfaction of all members of this House.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): 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.

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

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CURRENCY ACT

MEASURE TO AMEND

Hon. Bernard Valcourt (for the Minister of State (Finance and Privatization)) moved for leave to introduce Bill C-124, an Act to amend the Currency Act.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Valcourt (for the Minister of State (Finance and Privatization)) moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

[*English*]

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C-420, an act to amend the Canadian Human Rights Act, the Immigration Act and the Narcotic Control Act (marijuana legalization).

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Fulton: Mr. Speaker, I am honoured to have the opportunity to bring before the House a bill to amend the Canadian Human Rights Act, the Immigration Act, and the Narcotic Control Act, as well as the Psychoactive Substance Control Act.

I have two brief quotes I would like to put on the record before providing a quick understanding of the three clauses. In 1923 in this Chamber without a single member speaking, marijuana was criminalized and in fact since then we have seen the penalties increase to the point that some marijuana offences now carry life imprisonment as the sanction in this country. It is the strongest sanction outside Malaysia and Thailand where people are executed.

Emily Murphy, a judge in Alberta in 1922, wrote in the book *The Black Candle* the following, which I think explains why many Canadians took an unusual view toward marijuana for a long time:

> Persons using this narcotic smoke the dried leaves of the plant, which has the effect of driving them completely insane. The addict loses all sense of moral responsibility. Addicts to this drug, while under its influence, are immune to pain and could be severely injured without having any realization of their condition.
>
> While in this condition they become raving maniacs and are liable to kill or indulge in any form of violence to other persons using the most savage methods of cruelty without, as said before, any sense of moral responsibility. When coming under the influence of this narcotic these victims present the most horrible condition imaginable. They are dispossessed of their natural and normal willpower and their mentality is that of idiots. If this drug is indulged in to any great extent, it ends in the untimely death of the addict.

• (1515)

That was 70 years ago. The legislation that is still before this House is based on that. Let me just say that the three clauses are called: the Campbell-Charest clause, which is an amendment to the Canadian Human Rights Act; the Clinton clause, a reference to President Clinton, which is an amendment to our Immigration Act to allow people like President Clinton to come back into Canada; and the final clause which includes the amendments to the Criminal Code and the Narcotic Control Act that are called the "smoked meat amendments" in reference to Hughie Segal. I hope this bill passes soon.

The Acting Speaker (Mr. DeBlois): Mr. Fulton moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

SHOP CANADA DAY

JULY 4, 1993

Mr. Joe Comuzzi (Thunder Bay—Nipigon) moved:

> That, in the opinion of this House the government should proclaim Sunday, July 4, 1993 Shop Canada Day to keep consumer dollars in Canada and to support Canadian retailers.

He said: Mr. Speaker, after consultation with all parties and the independents, and having reached some agreement, it is my pleasure to bring this motion before the House.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I wish to acknowledge that there have been consultations in terms of being able to encourage Canadians to support Canadian producers, retailers and manufacturers. This is certainly a step in the right direction. Unfortunately, it seems to me, if my recollection is correct, that under the North American free trade agreement this type of policy would be impossible. That is why we are opposing the NAFTA.

The Acting Speaker (Mr. DeBlois): Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion agreed to.

[*Translation*]

PUBLIC ACCOUNTS

AUTHORIZED FOR STANDING COMMITTEE TO TRAVEL

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I move:

That six members of the Standing Committee on Public Accounts and two staff persons be authorized to travel to Washington, D.C. from May 25 to 28, 1993 to visit the General Accounting Office.

Motion agreed to.

* * *

[*English*]

PETITIONS

IMMIGRATION

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36 I wish to table a petition signed by close to 1,000 residents of Canada who state that approximately 200 Polish immigrants have been waiting in Greece for over three years to emigrate to Canada under the former self-exiled designated class.

The Canadian government cancelled this program while these immigrants were awaiting issuance of visas to Canada and these Polish immigrants have severed all ties with Poland and are stranded in Athens through no fault of their own. Therefore the petitioners humbly pray and call upon Parliament to urge the Canadian government to allow these Polish immigrants to emigrate to Canada as quickly as possible.

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have a petition requesting that the government defer its intention to merge the Social Sciences and Humanities Research Council with the Canada Council.

These petitioners are not convinced that there will be any saving of money or increased efficiency by the government's intended move. They ask that this be deferred and studied. Then a decision can be taken.

• (1520)

[*Translation*]

I fully support this fair request.

[*English*]

EXTERNAL AFFAIRS

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I have a petition signed by over 330 people in British Columbia.

It says that the two Canadians, Christine Lamont and David Spencer, who have been sentenced to 28 years each in a Brazilian prison have suffered a miscarriage of justice, cruel and unusual treatment in Brazilian prisons and discrimination in sentencing and parole.

The riots in the same compound where they are held have demonstrated that there is a real threat to their health and safety in prison. The only relief available from such severe punishment is for Canada to request their expulsion in accordance with Brazilian law.

Therefore the petitioners call upon Parliament to urge the Prime Minister to request the Government of Brazil to expel Christine Lamont and David Spencer and return them to Canada in accordance with Brazilian law.

We have not forgotten Christine Lamont and David Spencer and we are going to do our best to get them out of that Brazilian prison.

TRADE

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have the honour to present a petition signed by several residents of Canada mostly grouped in and around Edmonton.

The petitioners point out that more than 400,000 Canadian manufacturing jobs have been lost since the free trade agreement became law in 1989 and that, if implemented, the North American free trade agreement will cause even more Canadian jobs to be lost.

They say that the current Canada-U.S. Free Trade Agreement sharply reduces the power of all Canadian governments to develop the Canadian economy and point out that Canada's interests are best protected and promoted by cancelling the FTA and the NAFTA.

Therefore they call on the House to reject the proposed North American free trade agreement and to recommend to the government that it use the FTA's termination clause to end the Canada-U.S. Free Trade Agreement.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, it is my honour and duty today to present a petition in accordance with Standing Order 36 from 138 residents of Toronto, Guelph, Scarborough, Sutton West, Whitby, Rexdale and Don Mills who wish to draw the attention of the House to the following.

They say that the proposed North America free trade agreement has resulted in even greater trade concessions being demanded of Canada and that it will therefore cause Canada to lose more good jobs. It would also result in further restrictions placed on the ability of Canada's federal, provincial and territorial governments now and in the future to assist Canadian industry, to conserve natural resources for Canadian benefits and to advance needed social programs.

Therefore the petitioners call upon the House to reject the proposed North American free trade agreement and to recommend to the government that it use the termination clause to end the Canada-U.S. Free Trade Agreement.

IMMIGRATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a petition to present on behalf of quite a number of people from Vancouver who still express great concern about amendments made to the Immigration Act in Bill C-89.

They oppose the provisions that allow decisions to be made retroactively that would cause many individuals and families who have already relied upon an earlier decision to be affected in a serious manner. They call for the government to withdraw these amendments.

FIRST NATIONS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure and indeed an honour to present a petition on behalf of a number of constituents.

First, a number of Indian and native reserves throughout my constituency point out that Canadians generally wish to designate a date of recognition of Canada's original inhabitants. They suggest that June 21 is the most appropriate day to recognize the First Nations.

They are calling upon Parliament to enact Bill C-268, an act respecting a national solidarity day for the aboriginal people of Canada. They are asking Parliament to consider that.

WATER DIVERSION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on another matter the petitioners are by and large from central British Columbia. They simply indicate a whole set of reasons why they oppose the exportation of fresh river water and lake water to the United States and Mexico. They are of the opinion that the North American free trade agreement will facilitate this.

They are asking the government to take whatever steps are necessary to ensure that our rivers will never be diverted to the United States.

• (1525)

CRIMINAL CODE

Mr. John Nunziata (York South—Weston): Mr. Speaker, I have a petition signed by approximately 75 individuals regarding section 745 of the Criminal Code which is a provision that would allow for the reduction in the number of years of imprisonment for people convicted of either second or first degree murder.

The petitioners call upon the Government of Canada to remove section 745 from the Canadian Criminal Code thus resulting in the situation where those convicted of first and second degree murder would in effect serve the minimum as prescribed by the Criminal Code.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I would ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

[*English*]

MOTIONS FOR PAPERS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Acting Speaker (Mr. DeBlois): Shall all Notices of Motions for the Production of Papers stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION (GOVERNMENT ORGANIZATIONS) ACT, 1992

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-93

Hon. Charles Mayer (Minister of Agriculture): Mr. Speaker, I move pursuant to Standing Order 78(3):

That, in relation to Bill C-93, an act to implement certain government organization provisions of the budget tabled in the House of Commons on February 25, 1992, not more than one further sitting day shall be allotted to the consideration of report stage and one sitting day to the consideration of the third reading stage of the bill; and

That, 15 minutes before the expiry of the time provided for Government Orders on the day allotted to the report stage consideration and on the day allotted to the third reading stage consideration of the said bill, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question necessary to dispose of the stage of the bill then under consideration shall be put forthwith and successively, without further debate or amendment.

Some hon. members: Shame.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Call in the members.

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

(*Division No. 460*)

YEAS

Members

Anderson	Andre
Atkinson	Beatty
Belsher	Bird
Bjornson	Blackburn (Jonquière)
Blenkarn	Bosley
Bouchard (Roberval)	Brightwell
Cardiff	Chadwick
Champagne (Champlain)	Chartrand
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cooper	Côté
Couture	Crosby (Halifax West)
Danis	Darling
Della Noce	Desjardins
Dick	Dobbie
Dorin	Duplessis
Epp	Fee
Feltham	Ferland
Fontaine	Fretz
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Harvey (Chicoutimi)	Hawkes
Hogue	Holtmann
Horner	Horning
Hughes	Jacques
James	Jelinek
Johnson	Joncas
Kempling	Koury
Landry	Langlois
Larrivée	Lewis
Littlechild	Lopez
MacDougall (Timiskaming—French River)	MacKay
Malone	Marin
Martin (Lincoln)	Mayer
Mazankowski	McCreath
McDermid	McKnight
McLean	Merrithew
Mitges	Monteith
Moore	Nicholson
O'Kurley	Plourde
Porter	Pronovost
Redway	Reid
Reimer	Ricard
Robitaille	Saint-Julien
Schneider	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif

Tétreault
Thacker
Thompson
Thorkelson
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Valcourt
Van De Walle
Vankoughnet
Vézina
Vien
Vincent
White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Winegard
Worthy—118

NAYS

Members

Althouse
Anawak
Angus
Assad
Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)
Baker
Barrett
Bélair
Bellemare
Benjamin
Bevilacqua
Blaikie
Bouchard (Lac-Saint-Jean)
Boudria
Breaugh
Butland
Caccia
Campbell (South West Nova)
Catterall
Copps
Crawford
de Jong
Dingwall
Dionne
Duhamel
Ferguson
Finestone
Flis
Fontana
Foster
Funk
Gaffney
Gardiner
Gauthier
Gray (Windsor West)
Harvard
Harvey (Edmonton East)
Heap
Hovdebo
Hunter
Jordan
Kaplan
Karpoff
Keyes
Kilgour (Edmonton Southeast)
Kindy
Langan (Mission—Coquitlam)
Laporte
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacLaren
MacLellan
Maheu
Manley
Marchi
Marleau
McGuire
Milliken
Mitchell
Nault
Nunziata
Nystrom
Ouellet
Pagtakhan
Parent
Parker
Peterson
Phinney
Plamondon
Prud'homme
Rideout
Samson
Simmons
Skelly (Comox—Alberni)
Stewart
Stupich
Taylor
Tobin
Tremblay (Rosemont)
Vanclief
Venne
Waddell
Walker
Wappel
Young (Acadie—Bathurst)—86

PAIRED MEMBERS

Blais
Blondin-Andrew
Cadieux
Charest
Clancy
de Cotret
Gagliano
Harb
Hopkins
Karygiannis
Kilger (Stormont—Dundas)
Landry
Loiselle
MacDonald (Rosedale)
Roy-Arcelin
Turner (Vancouver Quadra)

• (1610)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

[*English*]

MEASURE TO ENACT

The House resumed from Tuesday, April 20, consideration of Bill C-93, an act to implement certain government organization provisions of the budget tabled in the House of Commons on February 25, 1992, as reported (with amendments) from a legislative committee; and Motions Nos. 21 to 64.

• (1615)

Mr. de Jong: Mr. Speaker, on a point of order. You will remember in the debate yesterday the Parliamentary Secretary to the Minister of State for Finance and Privatization purported to demonstrate in the House that there would be savings. Yesterday I rose during the debate to challenge the member to table in the House those documents that purported to show that the amalgamation of the Social Sciences and Humanities Research Council into the Canada Council would in fact save money.

The parliamentary secretary did table a document toward the end of the proceedings yesterday afternoon but it did not show any savings at all in bringing the Social Sciences and Humanities Research Council into the Canada Council. What he tabled was a press release from the Canada Council showing how it was going to cope with a 10 per cent mandatory reduction that the government has imposed on the Canada Council. It did not demonstrate at all that the amalgamation was going to create greater efficiencies or savings.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Of course, I had to listen to the point raised by the hon. member, but on reflection I must conclude—and I recall the incident very well—that it is a document which was not officially tabled. The hon. parliamentary secretary simply offered to table a document to which he alluded in his speech

and the Chair does not have to make a judgment on the value of that document.

Therefore, I cannot accept this point of order. This is part of the debate and if the hon. member makes a judgment the Chair will take note, but it does not have to judge this document itself.

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I deferred to the member for St. Boniface and thank him for giving me this opportunity to speak on the motion before us which reads:

> Resuming consideration of report stage of Bill C-93, an act to implement certain government organization provisions of the budget tabled in the House of Commons on February 25, 1992, as reported (with amendments) from a legislative committee.

In debating this issue I would like to bring to the attention of my colleagues two or three amendments that my colleague from St. Boniface has introduced to improve the bill. It would otherwise not be supportable because it is unfair to our social scientists and to our scientists involved in the humanities.

The amendments will ensure that there is security of funding for the social sciences and humanities and will secure the identity, integrity and importance of these disciplines. If this bill is passed as improved with these amendments there will be accountability to Parliament.

Motion No. 32 proposes that the separate mandate of the new agency, which will include research, arts and international cultural relations, be funded through separate budget appropriation votes in the House of Commons.

The importance of this approach is to ensure that not all of them are taken right away. We must not forget one very important segment of the total, and that is the social sciences and humanities review. We would like to ensure that funding for this discipline is continued and have shown the value of this discipline.

Having practised medicine for some time before entering politics, I know the importance of the social and humanities discipline even in the practise of medicine. We need our social scientists if we are going to take care of the whole patient. Their importance can be multiplied many times in other disciplines as well.

• (1620)

On the second point, the security of identity of this discipline, Motion No. 24 would reflect, if accepted, a change of name from Canada Council for the arts, research, social sciences and humanities, to the arts, social sciences and humanities Research Council of Canada. In essence, this proposal would truly reflect a merger of the two and not the abolition of one and the retention of the other.

An hon. member: You got that right.

Mr. Pagtakhan: It is human nature that in order to give importance and recognition to any group, its identity has to be retained and recognized. Recognition of its identity and integrity is an important tool in ensuring and enhancing its continued productivity. I do not think this government is prepared to tell the House of Commons and Canadians that this discipline is no longer important. If it is not it ought to be reasonable and accept this very reasonable proposal.

The government has argued that the rationale for merging the two agencies is to develop efficiency and effectiveness. Critical in any measurement of efficiency and effectiveness is the important need to have a tool to monitor the program and ensure accountability. Motion No. 40, as proposed by my colleague from St. Boniface would reflect this need for accountability and monitoring of whatever new changes are made. We would like a parliamentary review committee to review the function of the new entity and agency five years after the legislation comes into effect. It is a reasonable proposal that this government can truly ill afford not to adopt.

There are many more issues that I would like to address. In the interest of maintaining the importance of the Social Sciences and Humanities Research Council as well as the Canada Council, I think our proposals are very reasonable. The proposed amendments strike at the heart of the concerns that these groups have brought to the attention of this government.

On December 2, 1992 the Canadian Association of University Teachers made a very useful observation when it indicated, and I quote: "Its profound disappointment with the government's decision to merge the Social Sciences and Humanities Research Council with the Canada Council without any consultation with the stakeholders involved." Lately we have been hearing from the

leadership candidates in this government that they would like to consult with Canadians. Here is a golden opportunity. I challenge them to come forward and say they would like to consult with Canadians, listen to their views and not just hear without listening.

The Canadian Association of University Teachers has indicated as well that a convincing rationale has not been offered for this sort of consolidation. We have to respect the Canadian Association of University Teachers. This is its field. We have to give it respect for its expertise.

On that note I would like to say I am disappointed that this government is still hesitant to adopt the proposed amendments by my colleague from St. Boniface.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I would like to clarify a number of issues but I want to begin by saying that what we are doing here is simply combining two organizations to save administration costs. Today people are concerned about tax dollars and where they are being spent. I think they would applaud this kind of streamlining move which really just reduces some of the overburden and additional cost of carrying two administrations. Let me break this down a little bit.

• (1625)

First of all, there was reference made in an article to a figure of $1.5 million suggesting that that would be the net savings for five years. That is not correct. The savings will actually be $5 million per year.

I think that is a worthwhile number of dollars to attempt to save through the combining of two administrations. The savings that will accrue to us because we have taken that step. That $5 million will kick in probably starting in the third-year operation of the council.

One will notice in other streamlining procedures in the private sector that it is usually two or three years down the road before one begins to see the net savings. There is an upfront cost associated with this. However, we think $5 million a year is worth the effort. We know that this is what the figures will be because we have had advice, contrary to what my hon. friend opposite said, from the boards themselves. We talked to the Canada Council, SSHRC and the Treasury Board.

Let me just give an example of how these savings are realized. For example, we will have a streamlined program structure. We will have much simpler, more flexible financial management to deal with. We will only be dealing with one location. Instead of paying two rents we will be paying one. We will have rationalized common services. For example, we will only have one personnel manager, we will only have one financial manager and we will only have one council instead of two.

All of this makes sense for a savings of $5 million a year, at a time when we have to find more innovative and efficient ways to deal with our tax dollars and the expenditures that are putting such pressure on our debt and the deficit that we have to contend with.

I think it is important also to remember that these two councils operated as one for over 20 years, so this is not new. It is not a tremendously unusual departure from what was normal. For 20 years they worked as one council. That is an important point.

We will remember that the council developed a structure that had adapted to two clienteles. It had no trouble with the creation of an academic advisory panel as a parallel to the advisory arts panel, and the establishment of a separate administrative staff to deal with the academic community.

At that time the differentiation of the roles between the two was fully understood and accepted by the two bodies and their relationship was characterized by mutual respect. I say this to my hon. friend across the way.

I think we should also note that in its appointment of the new council the government of the day, which was the Liberal administration, took the Canada Council as its model and gave the new body, SSHRC, the same kind of composition in terms of its board and similar budgetary and expenditure practices.

These two organizations are very similar and they have a long history that goes back to a time when they were actually one. We are not creating any hardship here for anybody in the community. As a matter of fact, the government is committed to keeping the three budgets separate for each of the council's clients so there will not be any confusion about who gets what or whether or not the humanities people will get their fair share of the funding or the grants. That will not be a problem because they will be kept separate.

The Treasury Board has already met with the management of the two existing councils to see how this can be achieved administratively and to iron out the technical details.

Also, Bill C-93 says:

> The government shall have regard to the importance of maintaining a broadly representative membership that reflects the function of the Council.

What this means in practical terms is that the council will represent the interests not only of the artistic and academic communities, but of all Canadians. That is what we want. We want the agencies that we fund in Ottawa to reflect the broad interests of all Canadians. If we can save money at the same time I think we are accomplishing what most Canadians would like us to accomplish.

I might also mention that some points were made yesterday that perhaps require some clarification. There was a discussion, for example, of the calculation of the percentage of administration overhead. As a matter of fact, it was the member for Regina—Qu'Appelle on page 18158 of *Hansard* who used some percentages that I think were intended as an expression of the administrative costs in relation to total costs.

• (1630)

In other words, the dollars that we spend on grants and the numbers of dollars that have been distributed will rise as they have done over the years. However, the administrative costs are fairly standard. One cannot make comparisons of the administrative costs today with the administrative costs of yesterday because obviously the costs today would be lower because the grants are higher. The costs are still significant. As we see, $5 million can be saved by streamlining the administration of the two.

Another comment was made about 200 per cent CPI inflation. When the parliamentary secretary to the Minister of Finance mentioned this, the hon. member for Terrebonne, he referred to the 200 per cent increase in the administrative costs. What he was talking about was nominal dollars. He did not in his speech discount for inflation in that period.

What we are saying is that as a point of comparison, the growth in the administrative costs since 1977-78 have actually exceeded the rate of CPI inflation. That is where we are going to realize those savings by reducing the administration and streamlining and actually saving a total of $5 million a year which is not, as one will agree, an insignificant amount of money. It certainly underlines the necessity of combining these two agencies so that Canadian taxpayers could realize the benefit of a far more efficient and streamlined operation.

The Social Sciences and Humanities Research Council of Canada people will be looked after. Their interests will be protected. They will continue to receive grants and be able to continue the work that they do which is so important to the country. However, we will be saving money overall because we are taking a more practical and efficient approach to the way we deal with these agencies.

I also want to point something out about voting. We are not saying that there will be one vote for appropriation purposes. The ministers and Treasury Board will decide how many votes there will be. They will doubtless take into account the wishes of the management and the views of the two boards. There will be input from the people who are most impacted and most affected in spite of what my hon. colleague for Winnipeg North said a few moments ago.

Finally, I want to point out that $35 million will be the combined administrative overhead for all three of the agencies. It is included in the $217 million which is a total of all the funding, including the overhead, the grants and so on for all three sectors.

Again, just to underline what I have said before, when we combine these agencies there will be a net savings of $5 million a year starting in the third year. Those are significant dollars. If we take a look at it over a 10-year period, it will be more than $5 million because obviously inflation on an annual basis will have taken those administrative costs well beyond that.

I hope I have clarified things. Thank you for the opportunity to speak on this today.

Mr. Sergio Marchi (York West): Mr. Speaker, the hon. member for Winnipeg South did not clarify neither for the benefit of the hon. member for Winnipeg North or for the members of this House of Commons. This is because she talks about $5 million in savings that would be accrued by merging the two organizations that we are debating today, yet we really do not know where she pulled those $5 million statistics from.

She is now leaving the Chamber. I wish she would hear this so we could perhaps clarify her mind on the situation.

My colleague for St. Boniface who has been doing a yeoman's job for our side on this particular committee has said in the debate, both in committee and in the Chamber, that no such reports, findings or studies have ever been produced by government members or by civil servants who have come forward before the committee.

One would think, if there was any truth to the suggestion that there would be savings of $5 million plus, then at some point during the committee stage some bureaucrat, minister or government member would have put that testimony before the appropriate committee or in fact documented that particular study. To date, no official has ever shown any study proving that there will be savings.

• (1635)

We know and we have heard from various officials themselves that there will be a $1 million start-up cost. I do not think it should be simply a given and automatic for one to say that collapsing two different houses that provide roofs over these organizations into one bigger house with one bigger bureaucracy will save dollars.

No one has a monopoly on trying to be fiscally responsible in this Chamber. In the end we all represent that same taxpayer with the dollars. One of our functions is to spend those moneys wisely and frugally.

It is not good enough to have this member of Parliament or this government thinking, without any evidence and with simple assumptions, that it will save all sorts of dollars by collapsing two homes into one.

Second, there has not been one study or report that shows that the one new organization would either be more efficient or effective. Once again, in committee, when challenged, no officials were able to point to any type of evidence that would suggest that on an effectiveness and efficiency factor the new organization would be superior to what is being produced now.

Third, some government members and officials only a while back were actually considering withdrawing their proposal for an amalgamation of the Canada Council with the Social Sciences and Humanities Research Council because they knew that they had not proven their case. Notwithstanding that, they continued.

We heard the story before that government members have come to us to try to approve some types of different organizational structures or promises on the grounds that it would save Canadian taxpayers all sorts of dollars. That case has yet to be proven in a very tangible and substantive way.

The other factor that I think is a particularly hurtful one in this equation is that there has been little or no consultation with the affected personnel in either division. That speaks to the type of governance that we have had for nine years. Perhaps that is the type of talk used by one of the ministers in the leadership race when speaking about the new style of politics. This comes because people are tired of the Conservative brand of politics in terms of the politics of inclusion. Here is a perfect case in point where scientists, researchers and academics were not even consulted with respect to the possible merger of these two organizations.

In fact, I received a copy of a letter from the Association of University Teachers. It was addressed to the right hon. Prime Minister and in its opening paragraph it says:

> I am writing this open letter to you to express our profound disappointment with your government's decision to merge the Social Sciences and Humanities Research Council with the Canada Council without any consultation with the stakeholders involved.

Mr. Andre: Mr. Speaker, I rise on a a point of order. I apologize for interrupting the hon. member but before five o'clock I have to indicate that tomorrow will be an allotted day.

Mr. Marchi: Mr. Speaker, I would like to mention that we have in this country over 100 universities, 13,000 to 15,000 social scientists, over 200,000 people represented by the arts community and close to 30,000 Canadian academics. That is a fairly impressive and significant constituency.

When one talks about two councils that directly impact on this significant constituency one would think that it would be normal, prudent and logical for the government to consult the stakeholders of that constituency.

However, when those individuals come before the committee and write to the Prime Minister of the country to say that they have not even been consulted, what kind of decision making do we really have?

• (1640)

If we are truly concerned with the output and substance of the work those two councils do and if we are serious about the work they produce on behalf of Canadians then clearly and surely one would think that a government before moving to combine the two organizations would not only make a convincing argument based on fact, and not based on perception, but would also consult the various stakeholders. That is without even talking about the best interests of Canadians at the end of the day.

From these vantage points my friend from St. Boniface and others who have been engaged very seriously and in detail on this bill have moved a series of amendments that would speak to that accountability, that would speak to providing the facts rather than perceptions and myths.

I do not think it was too much to ask in those amendments for a greater accountability by the government rather than dropping figures loosely on the floor of the House of Commons and then going somewhere else to speak to the actual facts in the matter.

We have been somewhat disillusioned because the significant constituency I quoted moments ago has not even been consulted; because no official, minister or government member has had the foresight to document their arguments on effectiveness and cost savings, and because we are actually trying to make it more accountable with Motion No. 40, put forward by my colleague from St. Boniface, which tries to make it more accountable than the government is suggesting as we wish to have an accountability review every five years rather than the longer term suggested by this government.

We do not need to be lectured or preached to in terms of who is more accountable. We all have to be fiscally responsible but we do not accept as a given arguments that are based and founded on political quicksand rather than on hard scientific facts.

Therefore, having been refused at the committee stage we are appealing through the Chair to the government during this important report stage of Bill C–93 to listen once again to those arguments, not for our sake but for the sake of the important constituency that is out there working on behalf of Canadians and our country and enriching that vibrant life which is part of this Canadian mosaic.

On behalf of members of a very important constituency who surely cannot all be wrong, at least give those people the time of day to listen to their arguments. After all, as I quoted from the letter, they are the real stakeholders in this case. It would lead to better government if we practised the politics of inclusion rather than the reality, which is to exclude everybody else except the government.

[*Translation*]

Mr. Robitaille: On a point of order, Mr. Speaker. For your information and that of the House, in his speech the hon. member challenged the facts presented by my colleague from Winnipeg and myself concerning potential savings of $5 million. I would now like to conclude, if I may, Mr. Speaker—

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member but I cannot accept this point of order because it is really a matter of opinion and opinions can differ. The rules of debate are very strict and this is not a point of order per se.

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am delighted to have the opportunity to say a few words regarding report stage of Bill C–93. I want to make my comment in the context that we all acknowledge the fact that we are in a knowledge–based economy in which education, training and research is critical and paramount in terms of future positive economic growth in Canada and full employment for Canadians. That is why most of us are shocked, and that is putting it mildly, to see that the government is determined to proceed with part III of Bill C–93.

• (1645)

Why do I say that? I say that simply because my hon. colleague from Regina—Qu'Appelle has put forward a set of amendments which essentially delete part III of this act. He has acknowledged that to reduce government spending and wasteful government expenditures is something that he and we enthusiastically endorse and support.

When the government launches something that is regressive, that will ensure that the arts and social sciences in Canada will not proceed in the same way as they ought to, that will diminish the status of research and that will diminish the quality of education, training and research then it is something that no one in their right mind would support.

My friend from Regina—Qu'Appelle has put forward a set of amendments that say: For the sake of decency, reasonableness, the future of Canada, and jobs and opportunities for young Canadians in the future let us take this section out of this legislation.

We are not alone in this call. This bill was sent to committee so we could listen to the experts, to those who understand these issues more than ourselves, who live in this experience, and who have made a career and a profession of education and research and developing the social sciences and humanities.

Witness after witness appeared before the committee and every single one of them said to do the same thing. They said to scrap this section of the legislation because it is bad, it is wrong, and it is not in the best interest of Canada.

In a democracy part of our legislative process is to go to the people who are most knowledgeable in the area we are considering in a piece of legislation and ask them for their input. We ask for their advice and suggestions.

To be fair we do not necessarily automatically follow all of their suggestions and advice, but we accept what they have to say as being reasoned and very sensible and very important from their perspective. Based on that we make a judgment.

When there is some commonality to the extent that every single witness appearing says to do the same thing, scrap the bill, and makes long presentations as to why this would be appropriate, when not a single member of the government can criticize what they have to say and members of the opposition support what they have to say then it becomes clear this section should be deleted.

A lot of my friends on the government benches hold that same position. I know some government members have actually lobbied the minister to get this section out of the bill. Why? I guess they are beginning to listen to their constituents for once.

There has been a great to do in the last little while about the new emerging leadership of the Conservative Party saying it is time we listened to the constituents, it is time we listened to the people of Canada. Where the hell have they been in the last eight and a half years? Is this not the way a democracy is supposed to work?

All of a sudden there is this new revelation, this great new approach, that we should try listening to the people of Canada. Now is the time for those leadership candidates to show they actually mean what they say. When we vote on this motion that would delete the section that literally all Canadians who are aware and understand this process want to see removed then we will believe what they say. Then we will believe they will actually listen to the people of Canada because they certainly have not on issues like the GST, the North American free trade agreement and others.

I listened with interest to the previous speaker from Winnipeg who said the reason that the government is doing this is to save money, to save the taxpayers' hard-earned tax dollars. If that is what this is intended to do, it does not do that. As a matter of fact, there is absolutely no saving at all.

One does not have to listen to me to make this point. We can go to the Treasury Board and see what it has to say because the Treasury Board did a very thorough analysis, as it is wont to do, of this new cultural agency. In other words, it examined amalgamating the Social Sciences and Humanities Research Council and the international cultural program into the Canada Council.

• (1650)

It asked what the savings in dollars and cents by doing this would be. The Treasury Board went through all of the computer programs, the analyses and so on. Lo and behold there would be no savings in 1992, no savings in 1993–94, no savings in 1994–95, and so on and so forth. In other words, the government itself said that there is no

financial advantage to doing this. That makes a mockery out of what the government is doing.

If the point is to save taxpayers' money and the government says in its own analysis that it does not save any money, then for goodness' sake let us not use that argument.

What other argument can be used? The only other argument that can be used was reflected the other day by an individual from the other place, Conservative senator Finlay MacDonald. He was the first senator appointed by our Prime Minister and he is absolutely furious about what the government is doing. He is a Conservative member of the Upper House, the Senate, and he is furious because he says all the government is really doing is catering to the Reform Party by taking some Draconian, unnecessary, and horrible steps that will set back advanced education and research in this country for many years. The reason the government is doing that is to cater to the Reform Party and its rather outmoded and "dinosaurial" platforms.

Perhaps I should quote from the senator directly. He said: "The whole exercise is the government's attempt to feed the public perception that chronic deficits are caused by waste and mismanagement for it allows the public to believe there is a painless way to solve our serious financial problems. The whole exercise might be nothing more than a symbolic act to protect the party's right flank from attacks from the dreaded Reform Party to cause sufficient pain and spill enough blood to impress the voters. If true this might be good politics in the short term but it is not good public policy in the long run". Those are brilliant words from Senator Finlay MacDonald. He is saying what the government is doing is absolutely haywire, absolutely wrong and not in the best interest of Canada.

I want to again commend my colleague from Regina—Qu'Appelle for bringing forth this set of amendments that will now give the House of Commons an opportunity, and particularly those on the government side, to vote against including part III in this legislation and voting in favour of keeping the Social Sciences and Humanities Research Council and the international cultural program separate in terms of funding agencies.

It is our way, as parliamentarians, to show that we acknowledge the tremendous role that social sciences play these days in the future of the country. We recognize the tremendous value of the humanities in developing Canadian culture and that these should be recognized and funded separately from other funding agencies and institutions.

Let us stand up for those people who will build the economy of the future, a knowledge based economy of the future. Let us do the right thing by all accounts and support these amendments put forward by my hon. colleague from Regina—Qu'Appelle.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I am pleased to join my opposition colleagues in condemning such a move of course. Recently, this government has been making one blunder after another. First, it attacked the unemployed with Bill C-113 and then, with Bill C-92, it proceeded to protect the family trusts of the rich who fund the party. Now it is attacking research and the whole area of humanities and education sciences at the same time.

When just for the sake of cutting $1.5 million in expenditures the government is down to attacking things that are so fundamental for a nation, for both our nations, Quebec and Canada, when it is down to attacking such fundamental things, it means that this government is totally out of control and does not know which way to turn any more.

While it is ready to spend $1.5 million to send a Prime Minister on a farewell tour in Europe it is merging two organizations which do not belong together at all to save $1.5 million.

• (1655)

Mr. Robitaille: Mr. Speaker, I rise on a point of order. As you know and the hon. member knows, we are presently at report stage and, normally, the rule would dictate that we deal only with the amendments before us. The hon. member's remarks bear no relation to the content of these amendments.

Mr. Plamondon: Not only are they attacking, Mr. Speaker, but they are also trying to apply censorship. Imagine that. I would remind the hon. member for Terrebonne that freedom of speech is first and foremost in a democracy. However that is a right he has relinquished, consistently following like a sheep the party line

on every bill that was to the detriment of the Canadian people over the past year.

Mr. Robitaille: Mr. Speaker, I want to raise the same point of order again because we do have rules in this House which require that the hon. members' remarks deal with the substance of the debate, the content of the amendments. It is not censorship; it is simply a matter of complying with the rules of this House. I urge my colleague to comply, and I urge you, Mr. Speaker, to remind him of how important it is to try to comply with the Standing Orders of the House as much as possible.

The Acting Speaker (Mr. DeBlois): Indeed, as we all know, we are presently debating Bill C-93. I call upon the hon. member, who I believe was making his opening statement, to deal more specifically with the substance of this bill.

Mr. Plamondon: Thank you, Mr. Speaker, for straightening out the hon. member for Terrebonne who was once again away off track. If he were to review the speech he made yesterday on the same bill, he would see how far he wandered from the subject of the amendments, while I was only making an opening statement and was about to move to the group of amendments in question, group no. 2 which includes 20 or so amendments.

I would like to get to the crux of this bill.

The Acting Speaker (Mr. DeBlois): Order, please. I hesitate to recognize the hon. parliamentary secretary again. Allow me, I do have the floor. The hon. member has just mentioned the amendments and I think what he said was relevant to the debate. At any rate, I am willing to give the hon. member for Terrebonne once more the benefit of the doubt.

Mr. Robitaille: Mr. Speaker, this is simply to remind the hon. member for Richelieu that the group in question deals with part III of the bill, not part II.

The Acting Speaker (Mr. DeBlois): Actually, the debate is on Motions Nos. 21 to 64.

Mr. Plamondon: That is exactly what I said, Mr. Speaker. It just goes to show the hon. member for Terrebonne does not know what he is talking about. This reminds me, I had an old philosophy teacher who used to say, when the class failed to understand something that was perfectly obvious, that it was like casting pearls before the swine. I think that would apply to many members, especially Tory members from Quebec, who have failed to understand the disservice they are doing their constituents by agreeing to be silent accomplices in a debate on these fundamental principles and by voting like sheep, as they did in the case of the unemployment insurance bill, in the debate on the Constitution and in the debate on the referendum bill. What happened to the Liberals in 1984 will happen to them. They can look forward to a crushing defeat in the next election.

Now for the subject of today's debate. I would like to quote an article by 40 academics which appeared today in *Le Devoir*. The hon. member for Terrebonne may not think very highly of them, but to me, academics are the thinkers of our society. These 40 academics were from the University of Quebec in Montreal, the University of Quebec in Trois-Rivières, the University of Montreal, Laval University and the University of Ottawa. They decided to get together to formulate their comments. In fact, they appeared before the committee at the same time as the Canadian Federation for the Humanities. What did they have to say about this bill? They said the following, in the second paragraph of their statement:

> This merger brings together agencies that do not at all operate the same way. After careful analysis, in 1978 the federal government decided to create a separate social sciences and humanities research council, in addition to the Canada Council. During the past fifteen years, two entirely different work traditions evolved around these agencies. In the field of humanities, experts work mostly in universities. They have developed a system to evaluate research projects and activities which is based on a tradition of the scientific world, namely the assessment made by peers. This has ensured remarkable progress in the training of the new generation of scientists, as well as in applied and basic social research.
>
> The merging of those two bodies, which the government is now considering, jeopardizes these progress. This measure is a step back, given Canada's objective to develop scientific research. It is an implicit non-confidence vote on the part of the federal government to those who have been working for fifteen years to build our scientific future in the field of social research. Merging the two bodies gives no guarantee in terms of effective support to research in humanities.
>
> Some members of the federal government have offered verbal guarantees to preserve the traditions of the SSHRC. However, Bill C-93 contains none of these guarantees. There is nothing to guarantee some administrative and financial autonomy to humanities in the new council resulting from this amalgamation. There is nothing either to guarantee that members appointed to the new council will have a

minimum of qualifications in the field of humanities, and of course the same would be true as regards the arts.

Today I referred to these 40 academics because my colleague spoke earlier about the arts. But it is the same questioning and the same total rejection of Part III of this bill. And it is unbelievable that some members are party to such a measure which—

• (1700)

Mr. Speaker, I hope you will give me the additional minutes which the hon. member for Terrebonne has tried to take away from me. Nevertheless I will conclude after the last paragraph, which I would like to quote, of this most interesting text by these 40 academics. They say:

> The merger was done without any consultation. This idea was conceived in the offices of the federal Minister of Finance. It was never the object of consultation with the other departments and the councils concerned, nor with universities or organizations in the fields of humanities and arts. This project is not supported by any study on the effectiveness of the councils or on the future prospects in these fields.
>
> The merger is unanimously criticized by all the stakeholders concerned. Every organization which knows the plight of social research in Canada has asked that the part of Bill C-93 which provides for this amalgamation be withdrawn. This not only includes organizations which represent specialized researchers in the field (the Canadian Federation for the Humanities), but also organizations which represent all the universities. Every scientist sees in this plan to merge a threat to the development of scientific research in Canada. In fact, organizations representing Canadian artists also denounce a merger which does not suit their needs either.
>
> The federal government continues to turn a deaf ear to the unanimous calls made—

This is what is so reprehensible. This merger comes after hearing all the Canadian academics condemn such a measure, as well as all the people in the field of arts. After the committee heard all these witnesses say that part III is unacceptable. The government talks about the savings which could be made when it does not take into account that a reorganization will be necessary, that leases will have to be broken, and that in the end there will not be a saving of $1 million at all.

It would be a lot better to cut the million and a half dollars which will be spent for the Prime Minister's travels and let our scientists help the Canadian and Quebecois nations grow, and also let the arts grow independently. By controlling their affairs through their board of directors the arts often contribute to the growth of a nation in a way that helps differentiate it from other nations. Here, in Quebec as well as in Canada, we badly need those two bodies. The amendments proposed are to the effect that part III should be overlooked, and it is my hope that the majority of members in this House will support these amendments.

• (1705)

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, before getting into the specific content of some motions that were presented, let me clarify something about the allegations of opposition members who questioned the information given in this debate by my colleague from Terrebonne and my colleague from Winnipeg, especially concerning the potential annual savings of $5 million from this merger as of the third year.

My colleagues specified that this information came from discussions between Treasury Board, the Social Sciences and Humanities Research Council and the Canada Council.

I do not think that my colleagues would allow themselves to toss figures around, as the opposition members claim. We are rather used to the opposition tossing figures around and I suggest that my colleagues find out from the Canada Council or Treasury Board before casting doubt on what my colleagues said.

Let us return to the discussion of what specifically interests us. I will talk about Motion No. 24 concerning part III and the Council's new name.

The provision in the bill is the result of much thought and consultation by the government. We believe that it expresses both a certain continuity, an important factor for future clients of the Council, and recognition of the increased prestige which the Canadian social science community has acquired since the Social Sciences and Humanities Research Council was created in 1978.

This is a sensitive issue to resolve. The name Canada Council is meaningful for thousands of Canadians and citizens of other countries who are directly affected by its mandate. It is a short title to which many are attached,

both in French and in English, and I think that we should build on that advantage.

This bill seeks to increase the efficiency of government and not to spread confusion about what the future holds for us.

Motion No. 24, proposed by the hon. member for St. Boniface, would simply add to the present English name of the Social Sciences and Humanities Research Council the words "Arts and."

Some might conclude that the Council's role with respect to the arts is limited to funding research. That is clearly not the case and I doubt that it is my hon. colleague's intention. Therefore I ask all members to vote against this motion and to opt for a solid tradition that goes back nearly 40 years.

I will now deal with Motion No. 25 which concerns the composition of the council or the representation for each of the distinct functions. The wording proposed in Motion No. 25 would lead to dissent. It could encourage each interest group and discipline to insist on having a member on the new council to represent very limited interests. I am not talking only about the arts and humanities but about the various disciplines in them.

I do not think that is a particularly good approach. We run the risk of having official pressure groups on the new council. Such a situation could be a source of division and great difficulty.

Let us not forget that the council's mission will be to meet the needs of all Canadians and not only of the main client groups. This proposal would create a precedent the consequences of which could hinder the council in pursuing its own interests.

The intent may be good, but by seeking proportional representation on the council with a mechanism that is too rigid and awkward, we would set a dangerous precedent. That is why I also ask my colleagues to reject this Motion No. 25.

I now come to Motion No. 26 which concerns eligibility to serve on the council. Motion 26 does not take into account the basic principles of corporate management. Moreover, if agreed to, it could be a source of conflict.

• (1710)

The proposed amendment would limit membership to experts in a field of concern to the council. Therefore this amendment would exclude any Canadians who would not have an academic or artistic background. The Council is a Crown corporation as defined in the Financial Administration Act. It must be organized and must perform like any non-profit or socially-oriented corporation, public or private, which means that its board of directors must act in the interest of society as a whole. According to this widely accepted principle, an appointment to the Board can be based solely on professional expertise or other.

Finally, this amendment could be a source of conflict. If for some reason someone challenged an appointment on the ground that eligibility criteria set out in the act were not adhered to, the government could find itself in a position where it would not be able to make any appointments. If only for practical reasons, challenging an appointment should not be possible once made. Otherwise the board would be paralysed. This is why I ask hon. members to reject this motion.

It is clear that Bill C-93 is consistent with our government's policies to reduce spending by streamlining. I believe that Bill C-93 is a good bill and that the government is proceeding as set out in the economic statement of the Minister of Finance.

[*English*]

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am pleased to have a chance to oppose Bill C-93 in regard to part III which would amalgamate the Social Sciences and Humanities Research Council and the International Council of Canadian Studies within the already large and useful Canada Council.

Trinity—Spadina, the constituency I represent, includes the large and central core of the University of Toronto. It is a university of about 50,000 students with many important faculties and departments, including the arts, sciences, social sciences and so on. I have been asked by people at the University of Toronto to oppose part III of this bill. I agree with them and am happy to do so. I support the amendments of my friend, the member for Regina—Qu'Appelle, who has moved to delete this part and retain the independence of the Social Sciences and Humanities Research Council and the International Council of Canadian Studies.

The member for Winnipeg South has said that she favours the bill because the independence and funding of both of these sections will be maintained. That is very difficult to believe. The official explanation of the bill in brief is this: "The purpose of this part", that is part III, "is to wind up the Social Sciences and Humanities Research Council and transfer its functions and staff to the Canada Council and to transfer certain functions and staff of the Department of External Affairs concerned with the promotion of Canadian culture abroad to the Canada Council." As a sop to the so-called independence of these two groups which are to merge, I quote again: "The Canada Council would be renamed the Canada Council for the arts and for research in the social sciences and humanities to reflect its expanded functions."

• (1715)

We are told that we will save $5 million on administration, but administration at the University of Toronto is not something to be scrapped. Administration of the International Council for Canadian Studies is not something to be scrapped. It is not clear at all and it has not been explained to us how an essentially domestic body, the Canada Council, will be able to take over the functions of those two bodies and particularly how a domestic body can take over the functions of external affairs and carry on the negotiations with other countries which are being carried on at present by the Department of External Affairs.

I have a letter addressed to the Minister of Communications from the Social Science Federation of Canada. It begins by saying:

> On behalf of the 15,000 social scientists represented by the Social Science Federation of Canada, I am writing to express our concern about part III of Bill C-93 and its implications for the future of social science research in this country.

Mr. Speaker, 15,000 scientists in Canada, through their democratically organized representation, have opposed this bill because of part III. They have offered five amendments which have been almost completely ignored by the government in the drafting and rejected by the government in committee.

The fact is that in our modern society we have needs that are not properly reflected in the structure of parliamentary government. Parliamentary government in Britain was established in its present form about 150 years ago with the two-party system of government. Only a minority of men were able to vote and no women could vote. Only a minority of men and women could read and write. An urgent message from Edinburgh might be brought to London in several days by a strong rider on a relay of strong horses and it took six weeks to cross the Atlantic. This was an agrarian society and Parliament as well as the universities were elitist and for the few.

We now have a modern industrial-commercial society in which large segments of the economy and society are not properly represented by the parliamentary system and 295 MPs and 100 or so senators are sent once every four or five years to Ottawa and expected to make all the important decisions for the whole of Canada. When 15,000 scientists say "hold on, you are making a mess of that decision of merging these two structures, we know because we work there" they are ignored. When they come to the committee to speak about it they are thanked courteously, agreed with by many members of the committee, including even some government members and ignored by the government as the committee can be ignored. Some committee reports have been totally ignored by the government.

We need a change of structure, not only internally in Parliament but in the relation of Parliament to Canada. Then a group such as the 15,000 scientists in the Social Science Federation of Canada would have the right to have a voice in making these decisions instead of coming cap in hand and being politely turned away as if it had never come at all.

• (1720)

The other body to be merged, the International Council for Canadian Studies does not have 15,000 people. It has hard-working staff in certain overseas offices who engage with foreign governments and foreign universities in exchange relationships which have benefited Canada in many ways. Now they will be removed from those foreign posts such as London, England. They will be concentrated in a domestic structure in Canada and will simply not have the funding for staff to do the administrative work presently being done by the International Council for Canadian Studies.

The letter from the International Council of Canadian Studies states:

> Moreover, a large part of the money spent on Canadian studies abroad is returned to Canada in one form or another, for example through academic visits, purchases of Canadian books, and so forth. An American study has shown that for every Canadian dollar spent in such a program three dollars are returned to Canada.

That was known in the culture of my youth as killing the goose that lays the golden egg, wiping out one dollar of expenditure to wipe out three dollars of return.

It is unfortunate that for these eight or nine years this government has pursued a policy of no consultation or phoney consultation. Several years ago the government asked for ideas on housing, received 400 beefs and gave no opportunity for discussion of those beefs. The government paraded consultations across the country about immigration levels but never once mentioned its basic intention to change the whole structure of immigration in Bill C–86, the composition of those levels and whether grandparents should be included in the family any more. Those things were never discussed.

The change of treatment of refugees was never discussed before the public. Now we have this foolish change in part III which—

The Acting Speaker (Mr. DeBlois): The hon. member for Winnipeg North Centre.

Mr. David Walker (Winnipeg North Centre): Thank you very much, Mr. Speaker, for the opportunity to participate in this debate concerning Bill C–93, which is a budgetary item and deals specifically with one organization. I would like to explain to the House the importance of the decision being made by the government and why I personally am very opposed to it as is my caucus. I am also very supportive of the amendments being proposed by my colleague from St. Boniface.

It has taken the academic community in Canada several years to mature and develop the sophistication it now has. One of the major steps taken by the academic community was to join the government in working on the development of the Social Sciences and Humanities Research Council.

I had the good fortune at the very early age of 31 to become a member of the board of directors just after it began in late fall, 1977. In 1978 I joined it and as of April 1, 1978 I was a member of the board for the next five years. Thus I bring to the House not only my perspective as an academic and teacher for 18 years, but my views as somebody who was responsible for decision–making within the Social Sciences and Humanities Research Council during its formative years.

I would like to take some time to explain to the House how we built up this organization. Those who follow the House may wonder if this is not an arcane discussion about a fairly small organization. They should consider the fact that we try to build up a series of organizations in this country one step at a time which have the capacity to research and develop good minds, reward good minds, give them the resources they need and at the same time not go around in circles.

• (1725)

Those who have been involved with the creative process will know that if the structures of research are not done properly, it is very difficult for people to develop careers and to have the resources to do the full research. The government at the time decided to move away from a joint organization of the Canada Council and the Social Sciences and Humanities Research Council because it found that when it came time to make decisions it was dealing with apples and oranges.

Culture is defined in terms of the theatre, music, literature, and all endeavours that are generically under the arts. The organization of the cultural community in Canada, the organization of the arts and the organization of the creative processes of the arts are much different from the organization at work in the social sciences world which although it overlaps is different from what is done in the humanities. Most of it, although not all of it, takes place within a university setting. It requires a special type of organization to liaise not only with the individual researcher but also with the academic community.

I was impressed by the difficult task before us. For example, the university system as members know is driven mostly by provincial considerations. In the 10 provinces there are many different ways that universities are structured. Most provincial legislatures have particular acts. Therefore when spending relationships are developed with these organizations it takes a while for one organization to know another.

I can remember, for example, the question of sabbaticals was handled much differently in highly unionized situations. In the province of Quebec it was handled differently than it was in my province of Manitoba.

As a member of the board we learn from experience the significance of different methods. In the first five years of the board we managed to attract some outstanding Canadians who had previously been involved with the Canada Council. They brought to bear in the new organization not only their experiences in their host organization and/or their private lives but the work done by the Canada Council before that.

We were headed by an outstanding public servant, Andre Fortier, one of the first generations of Quebecers to end up playing a major role in the federal government. Andre was able to bring a sensitivity to the job that was appreciated by everyone. Similarly we managed to attract people of the calibre of Michel Bélanger and Doug Kenny, former president of UBC, who had organizational experience that made it possible for us to make decisions.

The reason I say this is that the relationship between the university world and the federal government is at best a delicate one. We are dealing with questions of ideology, the career patterns of individuals and the distance between Ottawa and some pretty remote universities. It takes a while to build up confidence within both.

We need the freedom to do the research as generated by the researcher and defined by the research community. At the same time I do not have to tell the House how important is the context of public expenditure controls, being a watch-dog organization over how government moneys are distributed.

The objectives are not easy to combine. It is not easy to ask somebody what research they are going to do, have them apply, have their work evaluated and have the money put into the community through the university or to the individual directly to make sure a product is produced and the person's career continues.

At the same time we are dealing with the publishing world on some major projects. We took the initiative over 10 years ago to develop projects of national concern. One great frustration we have as academics, and I think in the general public, is that so much of the university world seems to be esoteric and driven by curiosity in a way that is not related to societal needs.

We started a program to define some national interest projects dealing with aboriginal people and women and helping out small isolated universities. This required us to do targeted research in a very rough way.

The resistance in the academic community was understandable, but we forged ahead and developed a new working relationship with it that allowed the government to have work done that was of concern to Parliament and at the same time it was defined by the research community.

• (1730)

That balance comes from organizational experience and from having some understanding of how that mind works. From my own experience I can say that mind works much differently than those found in the artistic community. It is very different from dealing with, for example, the Royal Winnipeg Ballet. It is a much different creature than the University of Winnipeg. The Young Peoples Theatre is much different than the University of Manitoba. Even when there are overlapping areas such as drama departments we still find the work world is much different.

I listened in committee to the different groups that came forward to make some suggestions and try to get the government to withdraw this part of the act. Government members themselves heard them. I must thank them for the courtesy of listening to my thoughts at the time.

To have worked from 1977 through to 1993 building up an organization, 16 years of working with and finally developing a working relationship, which meant committees, subcommittees, advisory boards and board members who have some interest in this area, were not easy accomplishments. It struck them that it did not make any sense to spend 16 years to move this along and finally get it settled, not with the big organizations but with the individual researchers, and then to take it away.

They do not show any savings if it is taken away. There has not been one report presented to Parliament showing that one nickel will be saved. They do not show it is

going to be any more efficient; the work still has to be done.

We have presented amendments, as has my fine colleague from St. Boniface in bringing his great experience in the university community and in government to bear, dealing with the board of directors, parliamentary review, defining the separate roles in these organizations and even such minor suggestions as changing the name and recognizing social sciences and humanities as being an independent and equal groups.

No, that is lost with them. They are turning back the clock to 1976. It makes me so sad that in five years a group of parliamentarians will ask: "How do we unravel this? How do we build up an organization for university researchers?" They will turn back to this debate and ask: "How could these members of Parliament waste the Canadian taxpayers' time and money?" For that reason I object to what the government is doing and hope there is still time to see changes.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise to speak on the amendment that deals with part III. I want to make three or four points.

It has become obvious that in spite of the rhetoric we are hearing from the Tory party now as it faces a national leadership campaign and the inevitable election and defeat it will suffer in the next few months in Canada, it is saying that it has to have a new style of politics, to develop more consultation and to have more involvement with the Canadian public. That should have happened over the last nine years when it had the opportunity to implement what it now mouths.

Canadians in my riding of Surrey North in the last two or three weeks are simply stunned by this new-found concept of participation, a new style of politics and consultation. A government that has done everything opposite is now taking this type of a stand. This government has refused to consult with people. It has used closure more in this Parliament than in the total history of Canadian parliaments.

It is another example of legislation being brought in without consultation and against the advice and wishes of the people being affected.

• (1735)

The organizations that have openly opposed the government in this regard are the Canadian Federation of Humanities, the Social Science Federation, the Canadian Association of University Teachers, the academic communities and the arts community. All of them say not to do this. They also do not accept the government's proposition that this is somehow going to save money.

I have been in administration most of my adult life. I have had administrative responsibilities for very large organizations, some of them with budgets into the $50 million range and with 350 or 400 staff members. The bigger the bureaucracy the more difficult it is to maintain efficiencies and maintain direction, intent and focus. We had two or three different organizations that represented distinct and very important areas in our society, the Social Sciences and Humanities Research Council and the Canada Council. They are not the same entity. They are not going to have the same priorities, nor should they. They are not going to have the same vision. All we have done is create a big, amorphous bureaucratic blob.

At what point in time in Canadian history are we doing this? I want to talk briefly about a couple of issues on which the public are crying out for more specific research and investigation. In the social science area, the whole issue of juvenile violence and crime is becoming a major issue right across this country from small communities to large cities, and certainly in areas like my riding of Surrey North.

There is the Surrey crime prevention society, which has done remarkable work in the last couple of years. There is the mayor who set up a special advisory committee to deal with this growing and difficult social problem of youth violence and crime. There have been a number of murders in my community. We must have our best social scientists directing their minds, as well as participating with community members, the police, and the public, to examine this kind of issue and in conjunction with the community to arrive at ways to solve it.

I have found myself in a very unique position because I started off working in juvenile corrections far too many years ago. In the late 1950s and early 1960s I worked in juvenile courts and juvenile detention centres. I sat down with the mayor's advisory committee, Bob Bose's committee, a week ago and tried to set out for it what I

thought were the changes that had taken place in society which had helped to cause the increase in youth violence. Yes, we had some information. We had some information that had been obtained by proper social scientists and research, but there were tremendous gaps.

The gaps included just little things like trying to document how much of the youth violence and crime is related to drug use in terms of committing of thefts in order to obtain money for drugs, and how much is involved in youth being under the influence of various kinds of drugs while they are committing crimes. We do not have accurate information. What is the role that is being played in the use of firearms and other concealed weapons like knives?

• (1740)

We do not have good information. What is the incidence of foetal alcohol syndrome and foetal alcohol effect as it relates to juvenile anti-social behaviour?

A committee in this House looked at that problem. One of the first thing it called for was systematic social research. Can you see this government saying no, we are going to lump all these people together in this great big blob. Great big blobs produce little blobs. That is all they produce. They do not produce anything meaningful.

We have to look at the issues for juveniles under the Young Offenders Act. What really is the impact of longer sentences on youth? What is the impact of putting a 16-year old in with 45-year old murderers? Is that the effect we really want?

What is the impact on our communities, particularly the urban communities where kids have anonymity? They can get in their car or on a sky train and go to a neighbourhood where nobody knows them. That is not what I grew up with. If I got in trouble in my small town, everybody knew it. Worst of all, my parents knew it.

Mr. Angus: Very quickly.

Mr. Karpoff: And very quickly. Probably before I got home. We do not know what the social changes are. I sat down with Mayor Bob Bose's committee. He gave tremendous leadership in this area. We talked about the social changes that have taken place in the last 20 or 30 years that make it that much more of a difficult problem to deal with. More important, what are the things we should be doing so that this does not become the problem that it is in the United States where each day 100,000 kids go to school packing a gun.

Last year there were more people killed in the state of Texas by firearms than by automobile accidents. We have a government that says we do not need groups of people who are dedicated to studying this type of social problem, we do not need to have a distinct group of social scientists.

People in my riding say this is false economy. Even if there was some economy, which everyone has refuted, it is false economy. This is an important problem. Society and the communities want participation, research and solutions.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 21.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

[*Translation*]

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred. As ruled by the Speaker, we now move to Motion No. 65.

[*English*]

Mr. Ronald J. Duhamel (St. Boniface) moved:

Motion No. 65

That Bill C-93 be amended in Clause 137 by striking out lines 34 to 36 at page 50.

He said: Mr. Speaker, the subject being dealt with in Motion No. 65 was brought forward before the committee by the Patent and Trademark Institute of Canada.

This institute comprises over 1,000 patent and trademark agents across Canada, both private and corporate, who in turn represent many more patent and trademark holders.

• (1745)

The institute contends that the merger of the Trademarks Opposition Board with the Copyright Appeal Board to form a new intellectual property tribunal will result in inefficiency and additional cost to government.

I think it is important to point out that this is a massive bill that deals with a number of organizations. It must be very complicated because I believe the government members have not understood the intent of this. I will explain why this is a problem.

For example, for trademark matters, as part of the new intellectual property tribunal the bill contains a provision that in trademark composition no new evidence can be filed in the event that the matter is appealed to the Federal Court of Canada. Imagine that, no new evidence can be presented?

Today if you file an appeal you can file new evidence whereas in the proposed subsection no new evidence may be filed. This is a good example of the government going forward blindly, not knowing where it is headed and not doing its homework.

By removing the lines indicated, as I have proposed in the amendment, an individual would once again be allowed to submit additional evidence. This it seems to me is a most reasonable request, not unreasonable at all.

Under the system today when there is a trademark opposition evidence is filed by both sides in the form of affidavits, written arguments are filed and there is an opportunity for an oral hearing. The opposition board is chaired by a lawyer and two other hearing officers. Trademark agents then plead the cases of their clients before the board.

At the present time less than 2 per cent of these cases are appealed and hundreds of cases are heard annually. The system works well. *Le système fonctionne bien, il ne faut pas oublier cela.*

What will happen as a result of this bill? We will have a new intellectual property tribunal which hears trademark opposition cases and for which all of the evidence has to be filed before the intellectual property tribunal because no new evidence can be filed on appeal. This is not going to work. This will lead to more cross-examination and more affidavits. It will be the affidavit of the officer, the affidavits of customers in serving evidence and it will turn into a much more costly system.

The government said it wanted to save money. Here is a change that is going to cost it more money. *C'est malheureux, c'est vraiment malheureux, monsieur le Président, qu'ils ne comprennent pas cela.*

This is why I am suggesting we remove this offensive section and once again allow additional evidence to be submitted.

[*Translation*]

There is a basic principle involved here. If the changes proposed by the government are accepted—I think regretfully it did not understand that and I hope my friend opposite will reconsider the matter—it will be impossible to submit new evidence. Everything will have to be done from the outset. The result will be extra work and therefore extra costs. Things will not go as smoothly as they do now, so why change something that is already working very well.

There is a lesson to be learned here. The government tried to make all kind of changes and came out with a massive bill which has generated a number of amendments about various organizations, and I believe the government went astray. It does not know where it is headed. It does not have a clue.

The government said in the beginning that it was introducing this bill in order to save money. Costs were supposed to go down, but that has not been proven. Then it got scared because we said: where is the proof? It argued it would improve efficiency. We said: where is the proof? Have you done any studies? It said: " No". Then we started to ask pointed questions like the one I raised a moment ago: " Did you consider this in detail?" Yes,

more or less. Obviously no thorough study of the bill was made. Here is a reasonable proposal. If the government really wants to prove that it listens to the people, to opposition members, it has a golden opportunity to do so.

[*English*]

I would submit that not only this particular amendment but the other ones that I made previously are really quite reasonable. They attempt to respond to the complaints that we have heard. Many people wanted the whole thing withdrawn and the government resisted that even though it was flirting a little bit with the possibility of rescinding it.

We know that and it knows that, but the big hammer of some minister came down and said: "No way". I said: "Okay. Here are some reasonable amendments. If you were a reasonable group of people, and I think that many of you are but you probably do not have a chance to show that reasonableness, then here is an opportunity. I gave you several opportunities with the amendments that were just debated a short while ago which we have just finished debating and I am presenting another one. Surely you want to respect the basic fundamental of democracy and that is that you can submit more evidence if you want to appeal a decision, that it does not stop there".

• (1750)

[*Translation*]

That is it. I think I made my point, and I hope the government will support this particular amendment, as well as all the others we submitted.

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Thank you, Mr. Speaker, for giving me the opportunity to speak on Motion No. 65, tabled by my colleague, the hon. member for St. Boniface. I am a little disappointed by the hon. member's attitude. It is incredible to see that such a nice colleague, such a nice man is so pessimistic, has such a gloomy view of the future and doubts the efficiency of our measures. I can assure my colleague that time will show that his fears were quite groundless.

As for the savings, the opposition constantly harps on about the money we are going to save with these measures, through streamlining administrative costs. They criticize us for quoting figures at random, but I will remind my colleagues that the figure of about $5 million which has been announced, as I mentioned yesterday in the House, is the result of the discussions that have taken place between the management of the Canada Council, the Social Sciences and Humanities Research Council and the Treasury Board. I would advise my colleagues, once and for all, to pick up the phone, it is not even a long distance call from here, and call the executive board of the Canada Council which will no doubt be happy to confirm the figures that were put forward here.

It is a commonplace for additional evidence to be tabled before the Court of Appeal and for a new lawsuit to be engaged in there. This approach is very time consuming for the judges of the Federal Court and in general it is a source of useless spending on the part of the clients. The government does not know any other instance when such a practice is tolerated in Canada.

The government feels a provision forbiding the tabling of additional evidence in the case of appeals would only eventually make the Intellectual Property Tribunal procedure consistent with all the other established practices and would allow cases to be correctly dealt with from the start. This principle follows from the analysis of the matter which can be found in the Henderson report, published in 1991, and I wish to refer my colleague to it. It is an important study on the legal controversy mechanisms, prepared by one of the most distinguished members of the Canadian legal profession. Out of that study came the recommendation for the creation of the intellectual property tribunal.

According to government data, between 15 and 30 appeals are lodged with the Federal Court each year. Therefore, contrary to what the member for St. Boniface is trying to say, the time alone spent by judges on those appeals could lead to tremendous savings.

It is a matter of common sense. One does not have to be a genius to figure it out.

Finally, the government feels that as a result of this provision forbidding the filing of new evidence a greater number of cases will be settled before the hearing. At the present time, hearings are often devoted to questioning and discovery which should be of a more informal nature.

The Patent and Trademark Institute of Canada seems to have concerns with the added obligation of avoiding mistakes right from the start. They feel it might jeopardize the livelihood of the trademark agents who are not lawyers. These agents are required to appear before the actual Trade Marks Opposition Board. Now the Patent and Trademark Institute of Canada fears that lawyers will be called upon to intervene more often than the agents.

• (1755)

The government feels this concern is unfounded. The increased efficiency of the process will probably allow the trademark agents to deal with a larger number of cases in less time and the lawyers' services will be required for the more contentious and more complex traditional legal issues.

In a competitive context, the success of our intellectual property specialists, including trademark agents, depends on efficiency.

The government has already put forward, at the committee stage, an amendment which dealt to some extent with the concern expressed by the Patent and Trademark Institute of Canada with respect to the government's decision to remove the opportunity for a new hearing of the evidence by the court under an appeal from a decision regarding a trademark invalidation or opposition procedure.

Pursuant to the amendment put forward by the government, a Federal Court judge would have the discretionary power to authorize the hearing of new evidence when circumstances warrant it, and this in order to prevent any serious injustice.

Transitional provisions are made in sections 155 and 157 of the legislation, and the hon. member for Richelieu would do better to read the bill, for he would know what he is talking about. Under those provisions, the trademark registrar continues to have jurisdiction with respect to any matter referred to him under the former regime. By registrar we also mean of course the former Trade Marks Opposition Board that has not been formally set up by a legislation.

Therefore, the adjustments to be made by the intellectual property specialists will be made gradually over a long period of time. At the end of the day, such adjustments will serve everybody's interests, because efficiency and productivity are the objectives aimed at by all interested parties.

As for the allegations by the hon. member for St. Boniface that we should listen to people, that is precisely what we are doing. The public has clearly indicated to us that it is fed up with politicians who come here to the House claiming they have innate knowledge and propose major expenditures without any regard for the taxpayers' ability to pay, ordinary citizens, those who work 40 hours a week and try very hard to make ends meet.

We listen to these people, and they tell us that we should do what needs to be done to streamline government, to streamline our administrative costs and reduce our expenses.

I would have thought that the hon. member for Richelieu, who is so close to the people, was listening more closely to his constituents. If he went to see them more regularly and talked with them I am sure that is the message he would get from these citizens, these men and women who work 40 hours a week, who pay taxes and ask their government and their representatives to strive to cut government costs and expenses.

That is what Bill C–93 is about, no more and no less.

The hon. member for St. Boniface is wrong in saying that we do not listen to the people. Just recently we distributed 7,000 survey questionnaires in the riding of Terrebonne and received replies from 1,167 constituents who took part in a budget–making exercise. The signals we got from the riding of Terrebonne were very clear: Cut expenses and reduce the tax burden on the public.

That is what Bill C–93 does. That is why I ask the members of this House, in particular the hon. member for Richelieu who claims to be close to his people, who constantly boasts of paying attention to his constituency, to do the honourable thing once and for all in this House for their constituents; respect their ability to pay. He should stop being partisan and engaging in petty, partisan politics and quit his empty rhetoric. He should do something positive in this House and support a bill to reduce government spending and the tax burden on the taxpayers in his riding and mine, in Quebec and across Canada.

I think that would be the most honourable thing the hon. member for St. Boniface and all opposition members should do, out of respect for all canadians' ability to pay.

• (1800)

Therefore I urge hon. members to reject Motion No. 65 because it is not realistic. It is not in keeping with the intent of the bill, the purpose of which is to increase efficiency and reduce costs.

[*English*]

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, it certainly amazes me when I listen to government members justifying their actions.

They start out by saying that these measures are undertaken to reduce costs and the deficit. With regard to that nobody has any problem. We want to see costs, deficits and debt reduced absolutely. We have no problem with that whatsoever.

However we maintain that what the government is doing is actually increasing the debt and the deficit. We have heard previous debates dealing with part III of Bill C-93. We have introduced evidence from documents obtained under access to information in which the Department of Finance shows that there are no net savings to the measures this government is taking by abolishing SSHRC and the cultural programs of external Affairs and rolling them all into the Canada Council.

We have demonstrated that there are no savings. In fact, we can assume it is going to cost money. What we are hearing now is that there is a need to move into a new building. There is the cost of integrating these three different functions. This costs more money than was originally anticipated. This is costing money.

We are dealing with an amendment which is worthy. The government is trying to defend its opposition to this amendment introduced by my colleague from the Liberal Party on the basis of cost.

I was just reading the submission in committee by Mr. Robert D. Gould who is a member of the Patent and Trademark Institute of Canada. He has a fair amount to say about this section. What this section does is to prevent new evidence from being introduced on an appeal to the Trade Marks Opposition Board. This gentleman says:

> Under the system today, when there is a trademark opposition, evidence is filed by both sides in the form of affidavits, written arguments are filed, and there is an opportunity for an oral hearing. The Trade Marks Opposition Board is chaired by a lawyer, having close to two decades of experience in these trademark matters on the board, ably assisted by two other hearing officers. Trademark agents who are lawyers or who are not lawyers plead the cases of their clients before the board. There can be cross-examination of affidavit evidence, although this takes place in less than 5 per cent of the cases, and the entire procedure is summary in nature and not extremely expensive.
>
> Less than 2 per cent of all cases decided by this Trade Marks Opposition Board are appealed and hundreds of cases are heard annually, so the system works well. For those cases that are appealed the parties are able to file additional evidence on appeal and, I repeat, that is only in 2 per cent of the cases.
>
> Now, what is going to happen when, as a result of this budgetary process, we have a new intellectual property tribunal, which hears trademark opposition cases and for which all the evidence, for now and for all time, has to be filed before the Intellectual Property Tribunal because no new evidence can be filed on appeal.
>
> Do you think there is going to be cross-examination in only 5 per cent of the cases? Hardly. Because this is a person's last chance, I would expect there will be cross-examinations going on in the majority of cases. Then, what about a small Canadian company that is the applicant or the opponent and that is going to file today perhaps the affidavit of its officer?
>
> Under the new system, where this is your last chance, it will be the affidavit of the officer, the affidavit of customers, and survey evidence, and it is going to turn into a much more costly exercise.
>
> I estimate to clients I deal with that the cost of an evidence stage of an opposition is between approximately $1,000 and $2,000.

• (1805)

Then in his testimony he is suggesting that under the new system it is going to cost $10,000 to $20,000. He suggested as well in his testimony that now lawyers are going to become involved in the process.

Here is his summation:

> I would submit that it is not an answer to say that this provision about no new evidence is going to be deferred.

We heard the government members saying that they will not implement this right away.

> If it is not worthy of being in the legislation today, or implemented today, surely if it does become worthy at some time in the future, that is the time to put it in.

Basically what he is saying is that this provision under the act that will not allow new evidence to be introduced on appeal is going to cost more money. It is going to cost more money for those people who have failed themselves on this process and it is going to cost the government more money.

Here we see again in this particular provision that the government is going to end up having a greater debt as we see with the previous part III of this bill that abolishes SSHRC and that is going to cost the government more money.

A few weeks ago there was a study that looked at the cuts to the Canada Council. It came to the conclusion that the government was going to lose more money with the cuts to the Canada Council than it was going to gain because of those cuts. This study showed that because of these cuts there were going to be fewer taxes collected and fewer cultural industries producing things and employing people. There was going to be an increase in welfare, an increase in unemployment insurance and the net effect was going to be a decrease in government revenues.

We see how this government's attempt to reduce its costs and to reduce the deficit that it has the opposite results. It is no wonder that after more than eight years of the Tory government's attempt to reduce the debt and deficit we have seen the deficit double because these people across the way do not know how to use their intelligence to start reducing government waste and government costs. Every time it turns around and introduces a measure it only increases the debt of the country.

It is no wonder that after eight years of Tory attempts to control expenditures we have seen our deficit double. It is because of measures found in Bill C-93 that we begin to understand why our deficit and why our debt has doubled over the last eight years. This government in its pigheadedness insists on introducing measures that in the end will cost Canadian taxpayers more money.

It is about time we had a new government.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, thank you for the opportunity to speak on this amendment. Allow me to begin with a short preamble, as the member for Terrebonne did. Looking at us, he said: "Be logical." If we follow his logic in politics, then we can understand why the government is ready to pass such a bill. The member for Terrebonne voted yes during the 1980 referendum. He then got elected in 1984 by promising to bring Quebec back with honour and enthusiasm. Meech Lake was a failure. Twice he called the Bloc Quebecois to join them but got scared and did not make the move. Later on, he said that he would never support a Canadian referendum but he voted for the Referendum Act. He voted against the interests of Quebec by supporting Bill C-113 regarding unemployment insurance. He even became an accomplice by making speeches in favour of this bill. We do not trust his logic.

• (1810)

The Acting Speaker (Mr. DeBlois): I would ask the hon. member to abide by the rule of relevancy.

Mr. Plamondon: Mr. Speaker, I wish you would apply the same rules and, above all, be as flexible with me as you were with the hon. member for Terrebonne when he directed his remarks to me and wandered off the subject of Motion No. 65. I am just responding to what he said, but I will get to Motion No. 65.

I referred to his comment that we should be logical. He also talked about reducing expenditures with this amendment. How can we believe a government that says this amendment will no longer allow the tribunal to receive appeals? How can we believe this government, when we realize that in its budgets since 1984, its global budgets, it has always been wrong? Why should it not be wrong now if it was wrong about those budgets? It means that the forecasts for all the changes it wants to make are wrong as well. In 1987 the government predicted that in 1992 it would no longer have a deficit. We now have a deficit of $37 billion. These are not minor mistakes.

I heard the hon. member for Terrebonne making a case for the administrative reasons behind this amendment and why we should try to cut spending within the tribunal, while ignoring the principles of justice. I think he was talking about better administration. He told me to listen to my constituents. In my riding, people are telling me a lot about spending cuts. People have a lot to say about this, but they all know whose fault it is. It is because this government failed to cut its own spending.

Now all of a sudden it has discovered the virtues of sound administration. However to them the word administration means what it meant to my ancestors when someone was on his death bed and people would say go get the priest so he can administer the last rites. That is more or less what this government has in mind when it uses the word administration. It sees Quebec and Canada as a future corpse it is about to bury under a pile of debt. Meanwhile it is going to administer the last budget rites. I realize why the hon. member for Terrebonne is so confused in his constitutional and economic thinking.

This amendment is necessary because it will maintain the possibility of appeals. We all know the cost involved will be minimal. Hundreds of agents have expressed their support, in testimony and letters, for maintaining the tribunal in its present form. There would be no advantage to changing it. The so-called savings involved would be more readily achieved, for instance, by cancelling the Prime Minister's trip, which will cost $1.5 million and serve no purpose at all. Meanwhile, parties who wish to file additional evidence will not be able to do that. They will have to state their case, without being able to file additional evidence in the course of the proceedings.

We know that hardly 3 per cent of the people who appear before these tribunals file an appeal. This is just one more case of violating minority rights. The government's refusal to accept this amendment is all part of its new vision, a philosophy that permeates this government and influences every single piece of legislation it has tabled.

• (1815)

It is a limitation for ordinary people to go to court just to have better access to the democratic process. We saw it in Bill C-114, when it was done the same way. It had a mini reform not to limit the spending of the money bags that finance the Conservative Party. It attacked the poorest by requiring an ID card to vote and on the matter of prisoners' right to vote. It rammed the bill through in haste on a Friday, using regulations that are normally never used. Why?

This government is blind because it does not see that with Bill C-114 it is limiting the democratic process and limiting the rights of the unemployed with Bill C-113. It is limiting people's ability to come forward with new evidence in hearings. By accepting the amendment from my colleague, the member for St. Boniface, the government is again limiting the people and individual rights which historically have always existed in Quebec and in Canada.

This over-all philosophy that now guides the members of the Conservative Party blinds them so much that they do not see the widespread discontent among the people and especially they do not listen. For example, they turn a deaf ear to the demands of the university people who I just mentioned and who have come out clearly against that bill. They do not hear the humanities federation and all those in some way connected with the arts in Canada and Quebec. They refuse to hear appeals, on the pretext of saving money—which is far from proven—by eliminating the 2 per cent who occasionally appeal to those tribunals. The government is again going after the people instead of the real problem.

This new tribunal will not speed things up, because more affidavits and more documentation will have to be presented and the tribunal will have to examine much more voluminous evidence and that will of course take much longer.

We see that the government's intentions will be completely defeated because the volume of documentation will be greater from the beginning. All the cases were generally settled fairly easily because those who wanted to plead had a chance to present the evidence during the tribunal proceedings and had an opportunity to present additional evidence from time to time at any point. This greatly accelerated the solution. Supposedly to economize the government would prevent the presentation of new evidence during a hearing. This is completely contrary to the logic of all other tribunals.

The member for Terrebonne quoted material from 1991. Instead of reading documents like a sheep, documents which he is given to read in the House as if he were a parrot of the Conservative Party, why does he not find out what his constituents think and get the will of the people, which is completely opposed to this bill?

I see the member for Portneuf here. I went to his riding, and I will share with him what the people of Portneuf said to me: "Do you see our MP in Ottawa? We never see him in our riding." I told them: "Yes, I see him from time to time, but you—

The Acting Speaker (Mr. DeBlois): The hon. member's time has expired.

On a point of order, the hon. member for Terrebonne.

Mr. Robitaille: Mr. Speaker, no wonder the member for Richelieu cannot see the member in question, he is never here.

• (1820)

Mr. Plamondon: Mr. Speaker, on a point of order. It is a point of order. Will you grant me that?

The Acting Speaker (Mr. DeBlois): I would be extremely disappointed if the excellent atmosphere which has prevailed since the beginning of this debate was to be spoiled by temporary vagaries. I would simply point out that the rules forbid us to mention whether or not a member is present in the House. That being said, I am quite willing to give the floor to the hon. member for Richelieu for a brief remark.

Mr. Plamondon: Mr. Speaker, during my first speech, half an hour ago, I was interrupted three times by the member for Terrebonne on points of order which were not really points of order. Once again, points of order degenerate into insults. I have made more speeches in this House than the member for Terrebonne. I have been here more often than he has.

The Acting Speaker (Mr. DeBlois): The message did get through on either side. Could we then get back to the subject of the debate?

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I will make no comment regarding whether or not some parliamentarians are here since, as the Chair mentioned a while ago, it is against the rules. Of course, it is totally acceptable, as far as the rules are concerned, to mention whether or not a parliamentarian is in his riding even though that might annoy the member for Terrebonne or some other member. Of course we are not allowed to mention the absence—

The Acting Speaker (Mr. DeBlois): Order, please. The hon. member for Glengarry—Prescott—Russell is, among all parliamentarians, one of the most experienced and most knowledgeable of the rules. I would invite him to get back to the subject of the debate.

Mr. Boudria: Yes, Mr. Speaker. I meant to talk about the presence, in spirit, of all the members concerning the debate that we are having this afternoon on Bill C–93.

This bill has been very controversial from the very beginning. First of all, it must be emphasized that the government took some measures not by presenting them as good ideas, but by praising them as budget measures. That is how they were announced in this House. For example, and this deals with another part of the same bill, when it talked about merging the Canada Council with another council, the one on social sciences and humanities, there was no evidence, and there is still none today, that would save money. All that was introduced to the House as a budget measure.

[*English*]

Now we are discussing Motion No. 65 presented by the very distinguished member for St. Boniface. He presented this motion in this House to remove the offensive part of the bill, namely to strike out lines 34 to 36.

The subject of the issue in question was brought before the legislative committee by the Patent and Trademark Institute of Canada. I should point out that there are some 1,000 patent and trademark agents across Canada, both private and corporate. They represent many patent and trademark holders, obviously several times the number of patent and trademark agents. The Patent and Trademark Institute of Canada has indicated to our colleagues in the parliamentary committee that the merger of the Trade Marks Opposition Board with the Copyright Appeal Board to form this new so–called intellectual property tribunal will result in what it calls inefficiency and additional cost to the government.

Wait a minute. Allegedly, the whole reason we are doing this is to save money. If it is to save money and this is going to cost more then how come we are doing it? There is something wrong here, something is just not right.

Could it be that the government has discovered that this is not working but it does not want the humiliation of backing down, that the Minister of Finance, who is going to present a budget to us in a few days, particularly does not want to be humiliated by backing down from something he indicated in a previous budget? His selfish pride is more important than the good of the people of Canada. I would not think that, but if I was more partisan

I might be tempted to. I say that to my colleague for St. Boniface. It is quite tempting to arrive at that conclusion.

• (1825)

For the trademark matters as part of the intellectual property tribunal, the bill is going to contain a provision that in trademark opposition no new evidence can be filed in the event that the matter is appealed to the Federal Court of Canada. Today, if one files an appeal one can file new evidence whereas in the proposed subsection no new evidence may be filed. Why is that? What happens in these kinds of cases where new information becomes available? If the object of all of this is to make things more just and better, why are we removing something that exists right now in favour of replacing it with less? As I indicated previously, the institute that I just referred to also says it is going to cost more.

Here we have a bill for which the purpose is allegedly expenditure restraint. By the way, that is totally unproven. It is going to cost more and provide less, at least as it pertains to those particular lines in the bill. The amendment of my colleague for St. Boniface is indeed very reasonable.

Mr. Duhamel: The member for Terrebonne knows that.

Mr. Boudria: The member for Terrebonne who I am sure is listening attentively to these remarks will know that it is a reasonable proposition as well. I know that the member for Richelieu also thinks this is very reasonable. I can tell that he thinks it is very reasonable. I can see it in his face as we are speaking right now. I know the member for Richelieu made a profound speech in favour of retaining the existing federal board. I am glad to see this new-found interest in federalism on the part of the member for Richelieu. I am sure that I speak on behalf of all members of this House when I see this conversion on the way to the electoral box on the part of the hon. member in question.

The opposition board is chaired by a lawyer and two other hearing officers. Trademark agents then plead the case of their clients before this board. Presently, less than 2 per cent of the cases are appealed and hundreds of cases are heard annually. The system obviously works quite well as it is.

[*Translation*]

Mr. Plamondon: Speak French when you are talking to me.

Mr. Boudria: I am glad to see that the member for Richelieu agrees that we should maintain the current system and keep the federal tribunal as it now exists and which has the support of the member for Richelieu, that great federalist who is well-known in this House. All members are rejoicing at that.

Mr. Plamondon: Rejoice.

Mr. Boudria: I too am rejoicing with my colleagues when I see this conversion—not administration, because he mentioned the word administration earlier—but this conversion that he went through because we would rather see him convert before we have to administer him, to use his own word. By that I do not mean to give him the last sacrament, because since he is converting, he will certainly not need extreme unction.

I congratulate our good friend, the member for Richelieu, for his new words. We, at least on this side of the House, greatly appreciate his concerns for the interests of all Canadians.

• (1830)

[*English*]

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 65 standing in the name of the hon. member for St. Boniface. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

[*Translation*]

Hon. Elmer M. MacKay (for the Minister of Finance) moved:

Motion No. 66.

That Bill C-93 be amended in Clause 171 by striking out line 35 at page 59 and substituting the following therefor:

"adding thereto, immediately before the headings preceding section 31".

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, my comments on this technical amendment proposed in Motion No. 66 will be short. The government wants to change the wording of section 171 by substituting the following words: "adding thereto, immediately before the headings preceding section 31".

To understand the meaning of this motion we have to read clause 171 from the beginning. As to the substance of the motion, I want to make clear that this is a purely technical amendment requested by the lawyers responsible for this bill. My opposition colleagues will want to read the quite technical explanation that was given on this motion which was recommended for practical considerations. The only purpose of the proposed amendment is to set the right order for clauses 30 to 30.2.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I would like to briefly touch on a technicality. First, as the hon. member from Ontario did, I would like to make a few preliminary comments on something perhaps not directly related to the amendment before the House. The hon. member concluded, from the speech I made, that I had found new interest in federalism. Of course, if I consider that this tribunal must be preserved it proves that members from the Bloc Quebecois do not want to dismantle institutions dear to the federal government. While we stay in this Confederation we want to make sure that the institutions which are working well can keep up their good work. However, when the time comes to define our sovereignty we will take our share of that tribunal, as long as it is still in the interests of our people and has not been dismantled, which is exactly what the government wants to do with this bill. I just have a few words to say about the technical amendment. There is not much to say. It is mostly a question of grammar and interpretation. I will focus on the other amendment.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I would just like to know if my colleague, the parliamentary secretary, recognizes that the government made a mistake. He only has to nod, because I think several mistakes were made, although the last one we saw was a bit different. Is that so? Am I right?

The Acting Speaker (Mr. DeBlois): As a rule, there is no question or comment period. However, if there is unanimous consent to allow this exchange the Speaker has no objection. I understand there is consent.

• (1835)

Mr. Robitaille: Mr. Speaker, the fact that I was nodding does not mean that I endorse in any way the remarks made by the hon. member. I would like to make it clear though that we on the government side recognize that we are not perfect. Perfection is something we leave to the opposition.

Sometimes we need to make some adjustments. The legislative process that we have in Canada, with all its different stages, including second reading stage, legislative committee stage, report stage and third reading stage, is designed to allow us to make technical or other adjustments when necessary, for the benefit of the Canadian people.

Therefore it cannot be said that this amendment results from an error but rather from the desire of the Canadian government to do things right, as is always the case.

[*English*]

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I rise somewhat amused. First of all I wish to go on record as also supporting the amendment. It is a technical amendment. It is one in which the government corrects what was imperfectly drafted to begin with.

I fully sympathize with the parliamentary secretary's explanation. Of course as human beings, and this being a human institution, we are quite capable of making mistakes. The ability of correcting those mistakes has to be natural.

That is why legislation goes through the various stages. Each stage should be like a filter. We give critical examination of the legislation. As things come out in debate, in consideration and critical analysis those things that are seen not to be quite right are corrected.

I just wish the government would take that principle and extend it a little further. During the debate if the government was really honest, not in a partisan mood, not in a mood of saying this is what we have brought down and this is what we are going to force through, but rather if the government was more open, it would realize the things that had been brought forward in the debate on this bill, whether at second reading, in committee or report stage, that where it hoped there would be savings there was not going to be savings.

Some of the things that are still in Bill C–93 are going to create more hardship and more cost rather than making things efficient and reducing cost. We have pointed this out. Members of the academic community have pointed things out. People involved in patent and patent rights have pointed these things out.

Unfortunately, the government has not been listening. It might have been listening but it is not hearing. This is of course we find unfortunate. If our parliamentary system worked properly and we were able to set aside our partisan differences, then on a matter like Bill C–93 we should have been able to have many more significant changes that would have been good for this country, would have been good for the people, those parts of Bill C–93 which are supposed to serve.

Again, we will support the government amendment. Our only wish is that the principle would be extended as well to other sections and other recommendations and amendments that we have introduced.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

• (1840)

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

Mr. Ronald J. Duhamel (St. Boniface) moved:

Motion No. 67

That Bill C–93 be amended in clause 17 of schedule I by striking out line 40 at page 82 and substituting the following therefor:

"regulations imposing, on any licensing body, licensee or user".

He said: Mr. Speaker, I have an opinion that I would like to put on the record. This would give the government another opportunity to make a correction and respond to the series of very reasonable amendments. I am hoping that my colleague from Terrebonne, among others, will get an opportunity to examine it carefully and perhaps support it.

I want to read that opinion into the record to make sure it is not misunderstood. It reads as follows:

> That the word "assignee" is not an appropriate use of the term in the amendment because SOCAN is in fact an assignee of copyrights. Also, copyright holders should be removed from the amendment because it will spread the liability for costs to all of SOCAN's members since they are the legal copyright holders.

Those are important points that need to be recognized. Here is an opinion of someone who believes this current legislation is improperly worded:

> The problem with Bill C–93, section 17(2) as it now stands is that SOCAN, a clearing house that collects fees for the users of creators' works and distributes these fees to the creators is liable for a large portion of the costs associated with the operation of the intellectual property tribunal.

> These costs as indicated by the officials at yesterday's hearings could amount to well over $1 million annually.

That is a direct quote of an opinion that was sent to me and the government as well, I believe, so it could examine the current bill. There is one more paragraph:

> This is fundamentally unfair since other parties, namely the users of creative works, also benefit from the operation of the tribunal. These parties should also be responsible for the tribunal's costs.

Again, I want to make a plea to the government to look at this. It does not seem to be unreasonable. It seems to have made an excellent point. I hope it will be examined carefully. It would be unfortunate to pass this bill and have to change it later.

Let me summarize the conclusions of the analysis that were done for me on this bill. I would like to enter them into the record.

SOCAN opposes the introduction of those provisions of Bill C-93 that provide the proposed intellectual property tribunal with the power to fix both the costs of particular proceedings and the costs of the tribunal generally.

The process of the approval of royalties for the performance of musical works is not apt for the imposition of these cost provisions. Alternatively, if it is decided that the principle of user pay tribunal must become a feature of the proposed intellectual property tribunal, the statute should be amended to set out guidelines in the statute and not regulations. They should clearly provide guidance to the tribunal and ensure that licensing bodies are consulted in determining the nature and extent of those costs and the manner in which the licensing bodies can pass those costs on to their licencees.

Licensing bodies should also be given the right to appeal any decision that may determine those costs for which they will be responsible. To treat these costs as proposed in Bill C-93 amounts to a tax on the incomes of composers, lyricists and songwriters. It is grossly unfair to them.

There are a few points that need to be underlined.

[*Translation*]

It seems to me that this opinion, which I think is shared by the government, clearly indicates some weaknesses in this bill. In its present form, the bill is too vague, and that could cause some very serious difficulties. There are principles of fundamental injustice in this bill. I would simply ask the government to consider what was said, what I just proposed, so that I and the people I represent can be sure the whole bill will reflect the remarks I just made.

• (1845)

As I said earlier, it would be unfortunate to proceed with this enormous bill only to find in it the kind of potential errors I just pointed out.

I am sure you will recall, Mr. Speaker, because you have an excellent memory, that I suggested a few minutes ago, when we studied Motion No. 65, that there may be some serious errors in that part of the bill also. The government brought forward this enormous bill, so enormous that it got lost in it. I am beginning to fear that, because I am an opposition member, the government will not listen to what I said. In fact, the suggestion did not come from me, but from someone else, and I thought it made sense. That is why I make those recommendations to the government.

[*English*]

There are some potential traps in this particular bill. I outlined some in Motion No. 65 and in Motion No. 67 with my amendments. I would like the government to simply look at them. I hope they will not be simply discarded because I am a member of the opposition. Remember that these are professional opinions that have been entered into the record from responsible people who are really quite concerned.

If the government proceeds with the bill without looking at this I believe it would be irresponsible on my part not to call it irresponsible. I hope the comments I have entered into the record and shared in openness and sincerity will be looked at and I will be given some reason why they are not acceptable if that is the case.

Perhaps I am dreaming but I would like to hear some good reasons why this whole series of amendments I proposed would not be respected. They seem to be minimal changes that respond to the needs and expressed concerns of Canadians who have a lot of information about this bill.

I believe I have made my point. I look forward to a rebuttal of the points I have entered into the record. Failing that rebuttal, I will assume that the government supports my amendments.

[*Translation*]

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): To start with, Mr. Speaker, I would say that it is perfectly normal for people to express concern. However, for a member of this House there are always two alternatives: members either fuel that concern or they try to calm things down. That is what I was trying to do for the benefit of the hon. member for St. Boniface.

If this proposal was agreed to, the government would have to widen the scope of the cost recovery provisions in order to be able to charge directly to users, licensees and consumers the costs associated with creative works administered by a licensing body.

SOCAN, the only body as such to stand against the government proposal to charge user fees to clients of the intellectual property tribunal, is indeed requesting that the amendment proposed by the hon. member for St. Boniface be adopted. This amendment would widen the scope of cost recovery provisions and allow for charging directly to users, licensees and consumers the costs associated with creative work administered by the licensing body. The government's policy is to recover the costs from the licensing body which could then bill users according to economic conditions approved by the intellectual property tribunal.

• (1850)

Thanks to the application of user fees with the option of cost recovery in the sector under the board's jurisdiction, the copyright system will operate like many other government services which recover real operating costs from users instead of making all taxpayers bear these costs.

The National Energy Board and the CRTC are two good examples of this practice. Both agencies have the discretionary power to recover costs from users as appropriate, and they do so from time to time. However, the agencies are under no obligation to do so. The United States has a similar system with its copyright royalty tribunal. Here again, there are no specific rules providing for cost recovery from users, licencees or consumers.

I would like to make it clear to hon. members, and more particularly to the hon. member for St. Boniface, that the government's proposal will represent savings of over $1.2 million annually for taxpayers. SOCAN revenues, which are all under the jurisdiction of the proposed intellectual property tribunal, represent about $70 million of the $120 million now covered by the Copyright Board. As new licensing bodies are created, for instance in the photocopy sector, the share of costs billed to SOCAN will diminish.

The purpose of the new provisions of part VII of Bill C-93 is to guarantee that the principal clients of the intellectual property tribunal, including SOCAN, the Canadian Motion Picture Distributors Association and photocopy licensing bodies, will assume a fair share of the tribunal's operating costs. A cost recovery system based on user fees will not come into effect until the appropriate regulations have been drafted and put in place. Details of the system cannot be worked out until the regulatory process has begun. This process will include broad consultation with interested parties and consultation and co-operation between those parties and the government.

It is very difficult to recover costs directly from licencees and consumers who, ultimately, pay the royalties passed on to creators by the licensing bodies. SOCAN alone has more than 35,000 licencees, ranging from major cable network companies and the CBC, down to restaurants and church basement auditoriums.

In Motion No. 67, the term user may be interpreted as including consumers, who total 25 million in Canada. It is preferable to give the proposed intellectual property tribunal the discretionary power to recover costs instead of providing for a system by regulations or legislation. Furthermore, it would be very difficult and extremely complex to develop detailed provisions that would cover the broad range of users, licencees and consumers.

Finally we would like to point out that the only licensing body opposed to the cost recovery principle proposed in this bill is SOCAN. Consequently, the government cannot accept any amendments at this stage. The legitimate concerns of SOCAN can be dealt with most effectively during the regulatory process and

through the submission of briefs to the intellectual property tribunal.

The motion is unacceptable because it would lead to a policy that would be neither sound nor practical. It is practically impossible to develop a specific system for billing costs to the many and various classes of users, licencees and consumers for works that are administered collectively for licensing purposes. Licensing bodies will probably obtain the desired results through the far more effective approach of billing costs where appropriate.

• (1855)

Consequently I would urge all members to reject this amendment, for the reasons just mentioned.

[*English*]

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I really tried to follow what the parliamentary secretary was saying but I am afraid I am going to have to wait until I read *Hansard* tomorrow. I think what the parliamentary secretary was doing was just reading out what bureaucrats had told him to read out.

It is a technical amendment. There are technicalities in it. I am not quite certain the parliamentary secretary totally understood what he was saying but I suspect what was happening is that he was given something to read by some bureaucrats. It sure sounded bureaucratic to me.

[*Translation*]

Mr. Robitaille: Mr. Speaker, I would like to give the Chair and the hon. member who alluded to the fact that I was reading a text the assurance that this is not—

The Acting Speaker (Mr. DeBlois): I cannot allow this point of order because if I did we would have constant interruptions. In this House members may differ in their opinions of the behaviour or statements of their colleagues, but they cannot seek a remedy from the Chair.

[*English*]

Mr. de Jong: Mr. Speaker, I was not objecting at all to the hon. member referring to his notes quite often. I was wishing that he would have expressed the concepts and the government's arguments in his own words. Had he done so I think we would have all understood the arguments a little bit better.

The problem is that when bureaucrats write these briefing notes the bureaucrats have their own language. It is a language that I find at times hard to understand. Particularly when the bureaucrats are trained in law they have sentences that run through half the page and quite often are hard to understand. It takes another bureaucrat to totally understand the argument they are making.

SOCAN made a representation to our committee and I thought at the time that it made some sense. I did not think that government members or people from the government departments succeeded in refuting their concerns.

What is the situation? SOCAN represents the composers, lyricists and so forth, the creators of musical works. It collects certain royalties and fees. To establish the level of royalties and fees it goes to the board that is being created here. It has to do this. It is not a choice on its part. It has to go through this process. There is no problem with that and SOCAN does not have any problem with that.

The users of their musical works also have the right to make presentations to the board if they object to this provision or that fee and so forth. I do not think anybody has any problem with that. That is due process. SOCAN goes and presents its fees and then the users who have to pay those fees have the opportunity to give their objections and comments. SOCAN objects to the fact that the cost is entirely borne by them.

The parliamentary secretary is wrong when he states that SOCAN is against the principle of cost recovery and user fees. From reading and remembering its testimony before our committee I can say that was not the argument it was making. The argument it was making is that the cost should be borne by all the parties concerned.

• (1900)

Let us say I am a restaurateur, as I was before becoming a member of this august body, and let us say I have a sound system that works and that I should pay a fee to SOCAN. I do not like the fee but I am an ornery son of a gun and I am going to go on the war–path and create as much trouble as I can for SOCAN so I appeal and do all kinds of harassments. I do not have to pay any of the cost. SOCAN has to pay all the cost. Therefore

SOCAN is exposed to all sorts of nuisance actions against it. The people initiating that action bear no costs but SOCAN has to carry all the cost. From what I understand that is SOCAN's argument, and I think it is a reasonable argument.

I wish the government would get off its high horse and listen to these arguments and begin to recognize that perhaps this should be changed a little. It does not require a major change, it does not require a change from the basic principle of cost recovery. All we are asking for is some change to make certain that if a group brings nuisance actions it too will carry the cost and not just SOCAN itself, not just the composers and lyricists, the people who create the musical works. They should not be the only ones that carry the cost of this.

It seems fair to me. It seems just to me. What is the government's problem on this? Why can it not see this? Why is it not more conciliatory, more willing to work with all the actors, with the opposition, with the users of the services in making certain that we have good legislation that everybody can live with? Why will the government not be a little more constructive?

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I would like to add a few words on this very important amendment. Once again, it is an amendment from the opposition which would be very easy for the government to accept, since it would not translate into costs to the government and it would merely ensure the sharing of the costs of an appeal before a tribunal for users as well, in addition to collectives or copyright associations.

A nation grows and lives through its creative talents. If a nation such as the Canadian or Quebec nation exists, it is because it has had artists and creative minds in the scientific field and in every other field, especially at the artistic level. This is often what identifies a nation, and it is said that a great nation emerges when its composers and creative minds are at the top of their profession through their publications and the way they are accepted by the public.

France exists and rose through its great authors, the same way the Americans spread their culture through their musical composers and their creative talents, especially in the field of movies.

However, in Quebec and in Canada we are a third world country. In terms of the way copyrights are treated, as well as the status of the artist, we are several years behind, even though the government opposite made a little step forward with Bill C-88, as I recall following pressures from various organizations.

However in this case, as in Bill C-62, we are dealing with copyrights. I talked to the president of the association des auteurs-compositeurs du Québec, who told me how unusual the situation was. For example, the owner of a public place—we talked earlier about restaurants, but we could also have mentioned public waiting rooms or shopping centres—can decide to challenge, before the tribunal, the fact that he has to pay copyrights for musical works which he uses to attract clients and to provide them with the most comfortable environment. Therefore he pays for a picture on the wall. He pays for a chair, but he refuses to pay when he fulfils the dream of those people waiting in the emergency room, in the restaurant or in the bar. Then there is a challenge.

• (1905)

He finds himself before a court, oftentimes on an appeal, and sometimes he loses, but the costs will be billed to the management corporation. In that sense, the amendment is very important since it proposes to add the user to the list and, in doing so, it could put an end to some abuses. Government says it wants to ensure better management, to cut down on expenditures. However if it wants these agencies to spend less it should not open the door to anyone who wishes to challenge anything for any reason whatsoever, however bizarre. Instead it should say: Very well, you want to challenge so you will have to share the costs if you lose your case just like you would in any other court.

This is what this amendment is all about. It would not cost the government a cent. This amendment is a salute to our artists who make it possible for our two nations to come together, a salute to those artists, especially those from Quebec to whom I want to pay tribute, who created that new nation which will soon become sovereign and will join the group of world nations.

It is the same for the Canadian nation; Canadian creators also played a part in the shaping of Canada and when our two nations will engage in a neighbourly—

Mr. Duhamel: You will always be welcome among us.

Mr. Plamondon: My colleague, the member for St. Boniface, tells me we will always be welcome. You will too. Besides, it is obvious that in our thinking about sovereignty we will no doubt suggest that all those who wish to, either Canadian or Quebecer, will be able to get both a Canadian and a Quebec passport. We will also propose an agreement, some form of trade relations as there should be between civilized countries. In any case, trade relations exist automatically among countries bound by great international agreements.

As far as respect for both nations is concerned, I am quite convinced that the Quebec nation and the Canadian nation will maintain a very respectful relationship and will co-operate toward their mutual success.

In that respect, as I was saying a minute ago, before my friend from St-Boniface's interjection, these amendments will allow our authors to have a better income, not necessarily in terms of salary but in terms of decreased costs for collecting royalties from public places for instance. These amendments will allow the Société des auteurs-compositeurs du Québec, or SOCAN, the society which manages Canadian authors and composers, to act more freely to collect as well as to redistribute dues more rapidly without constantly facing complaints from people who have no right to do so since they are using the music, words, material and brainpower of authors.

In that respect, I think the tribunal should also be allowed to decide whether or not to consult users when setting ways to calculate and pay costs.

I will end on that point. I wish that Quebec members, those who are constantly forgetting that they should be promoting Quebec's interests within the government, those who choose to stay within the government, those who represent 40 per cent of the government caucus, would wake up. They should pay attention to what authors are asking of them. They should stop being yes men and become passionate promoters of Quebec interests.

They still have a golden opportunity to do so.

• (1910)

I want to remind them that this bill on which we will have a vote later is completely rejected by the minister, not a sovereignist minister, but by the minister Cannon from Quebec, who says: "No, this bill must be amended". He has made incredible claims about telecommunications. Even his predecessor, Mrs. Hébert, used to say when she talked about the control the federal government still had on the telecommunications bill: "It would be worse than the Meech Lake failure if this bill was passed."

We realize again to which extent, whether it be the unemployment insurance bill or the electoral reform bill, our hon. members from Quebec have an important part to play within the government. Instead of following the set course of action they must try to direct it with the help of their colleagues. We have reached the point of saying that when a Conservative member winks in Ottawa he opens an eye. It shows how passive the Conservative members are in the House. Instead of defending the government, they should defend the interests of their constituencies and of Quebec.

Aagain they miss the boat and they remind me sometimes of my mother-in-law. They stand at the edge of a financial abyss, after the constitutional failure and the economical failure, they wrap themselves in the Canadian flag and say: "I am going to jump and the flag will open like a parachute to bring me to the promised land." This reminds me of my mother-in-law. She dreams that Céline Dion is getting married and the pope is coming to sing at her wedding. Dreams are not for real. I too dream that Chrétien and Mulroney become gas station attendants. However this will not come true. So the hon. members who are dreaming must wake up.

The Acting Speaker (Mr. DeBlois): The hon. member's time has now expired.

[*English*]

Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 67 standing in the name of the hon. member for St. Boniface. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

[*Translation*]

The House will now proceed to the deferred recorded division at the report stage of the bill which is now before the House.

Mr. Tremblay (Québec-Est): Mr. Speaker, I ask that the division be deferred until later today, that is until 8 p.m., meaning that the bells will ring for 15 minutes starting at 7.45 p.m. and that the vote will be held at 8 p.m.

[*English*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 45(5)(a), I have been asked by the parliamentary secretary to defer the vote 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 7.45 p.m. today, at which time the bells will be sounded for not more than 15 minutes.

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-102, an act to amend the Customs Tariff, the Excise Act, the Excise Tax Act, the Customs Act, the Criminal Code and a related act, as reported (with amendments) from a legislative committee.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am delighted to speak on Bill C-102, an act to amend the Customs Tariff, the Excise Act, the Excise Tax Act, the Customs Act, the Criminal Code and a related act, as reported with amendments from the legislative committee.

• (1915)

Although the name of the bill relates to tax and taxation it has other implications including health. As I understand the bill, there are four measures being presented in it.

One, there will be tighter controls on the distribution and sale of duty-free tobacco products. Two, there will be improved markings on tobacco products to better identify duty-free tobacco products. Third, there will be the addition of proceeds of crime provisions to the Excise Act and Customs Act to enable law enforcement agencies to seize the proceeds of crime. This could be a big deterrent. Finally, there will be the imposition of higher penalties for smugglers and sellers of contraband goods.

That is the intent of this bill. In essence, by allowing this to proceed it could impose an increase in export taxes and impose higher fines on smugglers and sellers of contraband. As well, it will also help stop tax evasion.

I should say at the outset that the root cause of smuggling in this country is moral decadence and the absence of a public sense of duty to fellow citizens. When that duty to fellow citizens to protect their health is omitted then there is really a danger to our nation.

I submit that when we allow the sacrifice of human lives and greed for money to run a personal business of smuggling then there is really something wrong with our

country. We ought to undertake as a nation any means we can marshal to stop this moral cancer.

The implications in this bill go beyond taxation itself. They go to the area of health care. There are also implications in this bill for the tobacco farmers and there are implications for workers in the tobacco industry.

I would like the government to have a multi-faceted approach, not a patchwork or piecemeal approach, to increasing taxation thereby decreasing smuggling and the consumption of cigarettes. These are all excellent goals that we hope to attain as a country.

In so doing there is no doubt that there will be hardships and difficulties on the tobacco farmers and there will be hardships and difficulties on the workers in the tobacco industry. We must have alternative programs for those workers. We must have government aid.

[*Translation*]

Mr. Plamondon: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Richelieu on a point of order.

Mr. Plamondon: Mr. Speaker, I think the government should hear what the hon. member has to say. There is not a single minister in the House, and that is against the rules.

The Acting Speaker (Mr. DeBlois): I remind the hon. member that no comment on the presence or absence of colleagues in the House is in order.

Mr. Plamondon: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Richelieu on a point of order.

Mr. Plamondon: At least one minister should always be in the House and there is none. When a bill is before the House at least one minister should be here to listen to the opposition. I would like to take this opportunity to ask whether we have a quorum.

And the count having been taken:

The Acting Speaker (Mr. DeBlois): We do not have a quorum. Call in the members.

And the bells having rung:

The Acting Speaker (Mr. DeBlois): We do now have a quorum. The hon. member for Winnipeg North has the floor.

• (1920)

[*English*]

Mr. Pagtakhan: Mr. Speaker, certainly the point made was that we would like members of the government side to listen to the debate.

The debate about the health of our nation and the health of our citizens is so important that we ought to have a minister of the government present in the House of Commons. It is a point well taken by one of my colleagues.

Bill C-102 has implications for the tobacco farmers and the workers in the tobacco industry. We have an obligation to those workers and farmers that as we pursue the intent of this bill we do not forget them in our programs. We must have programs to help the farmers diversify their crops during the transition period as the sale of tobacco decreases.

We must have training programs for the workers so they can acquire the skills to face the new challenges in fields other than the tobacco industry.

I would like to state very clearly as the critic for the Official Opposition, the Liberal Party of Canada, that we support increased taxation on cigarettes as part of the over-all strategy to decrease the consumption of tobacco and cigarettes in this country.

This is only part of the over-all strategy. Taxes alone are not enough. We say categorically it is the official Liberal policy that we will not roll back taxes on cigarettes.

What do I say about those who control the policies in the tobacco industry? We have to challenge them and their consciences so they do not direct life-style advertising at our young Canadians.

It is known that if we are able to prevent people from smoking before the age of 18 years they are much less likely to smoke later on. What a tremendous success. I should say to our tobacco industry that is concerned about the success of our anti-smoking policy that we can be a model for other countries.

It is difficult. It is a dilemma because we would like to support the workers in this industry and the source of the product, the farmers, as well. However we have to help them with other programs because the industry producing cigarettes is about the only industry that truly produces a product that harms Canadians. It leads to harm.

The harm to the Canadian citizen starts even before birth. It affects the growing child, adolescents and adults. We know the human toll in terms of disability from disease caused by smoking. It affects the lungs. It causes the destruction of our air sacs. It causes obstruction of air flow. The afflicted citizen has difficulty breathing, yet continues to live for a long time with the disability. It exacts a human toll on the quality of life of that Canadian citizen afflicted with the smoking habit. It also impacts on the productivity of that citizen in the labour force.

It also leads to other diseases. It is a significant cause of heart disease and cancer, particularly of the lungs. When you put this all together it shortens the life span.

• (1925)

After a period of time smoking becomes an addiction that is not easily broken. The government must have programs to help those addicted to stop the habit of smoking.

Cigarette smoking has also led to fires and the loss of homes. The toll it exacts on the human person in terms of disability and illness impacts on our medicare system in the course of delivering health care. The cost of our medicare system would go down considerably if we could prevent a number of illnesses related to smoking.

As we look at Bill C-102 let us not forget that we must also challenge the manufacturers of cigarettes to stop directing their life-style advertising at youth so they do not start smoking.

We should also have programs to help those who are already smoking but not yet addicted stop their habit while it is still sheer habit and not an addiction.

Let us also provide counselling services for those afflicted. Let us have a government program to help distribute the nicotine patch and instruct people in its proper use. We congratulated the government when the change in labelling was passed recently. It is an issue that this critic from the Liberal caucus has demanded from this government since 1989 when I was first elected to this House.

We welcome increased fines to vendors to prevent them from selling cigarettes to our youth.

We should also delete the industries' names when they sponsor sporting and cultural events.

In this position taken strongly by the Liberal Party we have the support not only of those opposed to smoking for the reasons I have indicated, but the support of the smokers who would like to break the habit.

The Canadian Medical Association, the Canadian Cancer Society, the Heart and Stroke Foundation and many other health groups support us and many Canadians in our efforts to have an over-all strategy to help stop smoking.

In conclusion, Bill C-102 is truly a challenge to leadership. When things are good in the country and there are no problems there is almost no need for strong leadership because there is agreement. When hard choices have to be made there is a real call to leadership.

We want to send the message that the smuggling must stop. It is inherently morally decadent and the continued practice of smuggling and selling contraband affects many Canadians.

We also want to indicate that we care about the tobacco farmers and the workers in the industry. When we have the opportunity to form the government after the next election we will have programs for them so we can truly have a consensus in this country.

I challenge this government to seek international co-operation. It must talk to the United States government and President Clinton and tell them to follow our example. In that case there will be almost no opportunity for smugglers to make a packet on the health of Canadian citizens. We need a comprehensive approach.

I am delighted to have spoken on this bill. The Official Opposition supports this bill because we feel it will help stop smuggling to a great degree.

• (1930)

It will help prevent smoking. It will help those who are smokers to stop smoking. I have one last word. We can have all the laws in the land but if we do not provide the resources and the human personnel at the borders to help enforce the laws those laws may mean nothing.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the third time and passed.

* * *

CARRIAGE OF GOODS BY WATER ACT

MEASURE TO ENACT

The House resumed from Friday, April 2, consideration of the motion of Mr. Corbeil that Bill C–83, an act respecting the transportation of goods by water, be read the third time and passed.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I just want to indicate that my caucus supports this legislation and will be voting in favour of it.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I too, along with my colleague from Thunder Bay, had the privilege to serve on the Standing Committee on Transport. It saw members from the government side and Her Majesty's Official Opposition, as well as the third party, work together to conclude a process that will see the modernization of Canada's existing legislation concerning the carriage of goods by water by adopting on a gradual basis the two international conventions known as the Hague–Visby rules and the Hamburg rules. Until that committee meeting I did not know what the Hamburg rules were. It turned out that they were a lot more than two all–beef patties, special sauce, lettuce and cheese.

In the absence of an industry–wide agreement on the adoption of either of the two rules the stage approach represents a compromise that ensures that the Canadian law is at least in step, and this is what we had a concern with in committee, with that of our trading partners.

We too will co–operate with the government on the passage of Bill C–83.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I concur with my Liberal colleague and my New Democrat colleague. We had a long debate on that bill on Friday just before the Easter recess and I believe that we reached a consensus. Therefore, I would ask for the consent of the House to move that the bill be adopted on division.

[*English*]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the third time and passed.

* * *

MARINE INSURANCE ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C–97, an act respecting marine insurance, as reported (with amendment) from the Standing Committee on Transport.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I just had to rise for a moment on behalf of the government to tell all those assembled who are listening that Bill C–97 is an act respecting marine insurance. It is a new act that is intended to provided a very clear legal framework for marine insurance contracts.

The Marine Insurance Act will establish for the very first time a federal framework that governs the relationship between marine insurers and insurance buyers, their rights and obligations under a marine insurance contract and the principles and conditions of indemnity for losses covered by the contract.

• (1935)

I would like to express everybody's appreciation, all members of Parliament, to the transport committee for their excellent work. They worked particularly hard but with a great deal of co–operation because it was helpful to the nation. Opposition members may not be able to say that in their own sense but I would like to say on behalf of government members that the co–operation

from the opposition was much appreciated in this situation.

That same transport committee dealt with Bill C-83 and thus saved some further valuable time of the House and the nation for a good purpose as well. The way these two bills we are dealing with had been treated—

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member but I realize that I made a mistake. We have no amendments at report stage. There is no debate.

Hon. Elmer M. MacKay (for the Minister of Transport) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to.

Mr. MacKay (for the Minister of Transport) moved that the bill be read the third time and passed.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I just would point out to the House and Canadians who are listening that for a member from Calgary, Alberta, marine insurance in our area is not particularly large. However, the consequences of marine insurance do affect prices across the nation because maritime shipping is an important aspect in the lives of all of us.

I want to say thanks again to the committee and to say to Canadians that the importance of this piece of legislation should not be measured by the length of the debate but on its merits which are indeed considerable.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, before we call the vote with regard to this matter I want to thank the hon. member opposite who expressed his appreciation for members of the opposition on how they acquitted themselves on this particular piece of legislation.

I know my colleague would want to be even more specific in thanking the hon. member for Hamilton West who is a very distinguished member of this House, as well as my colleague from Ottawa South who has also followed this legislation very carefully and with great prudence.

My party is happy to support the subject matter which is before us but I do want to thank the hon. member from Calgary who has expressed his appreciation to members of the Official Opposition and I am sure members of the third party and others for their co-operation with regard to this subject matter.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I just want to make a couple of brief comments.

We are obviously supporting the legislation as we did in committee and as we did at second reading. However, I think the public does not appreciate the kind of work that members of Parliament do and that there are a lot of pieces of legislation that are processed through this House that are not partisan in any way. They are reviewed in a thoughtful and conscientious manner by members of all sides of the House. They come from the departments. In this case it was the Department of Transport but it could be Employment and Immigration, Revenue or what have you. We look at them and seem them as appropriate mechanism and appropriate changes to bring the laws into today's time.

These two bills, the one before us and the previous one, are examples of that. We looked at them. We talked to people who had concerns about them. In some cases we made some minor modifications but basically they were good pieces of legislative work.

• (1940)

Too often in the press we are seen as combatants as opposed to partners in making Canada work. These two bills are examples of the kind of work we do here on a regular basis.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I concur with my friend from Thunder Bay. He is absolutely right. In short order government members, members of the Official Opposition and members of the NDP worked together on these two bills. It was not an easy piece of work: we had to sit down and had to read over these things.

Obviously we trust each other to a certain extent but there always has to be that check and balance when it comes to legislation before the House. Therefore we spent some time sitting in our offices between the hours

of 6 p.m. and whenever we left for home reading through these kinds of things and making sure they all work.

What we found, especially on Bill C–97, was that the main provisions established a statutory framework for the contractual relationship of the principal parties to a contract of marine insurance specifically, for example the insurer and the insured and their respective rights and obligations arising out of the contract and the principles of indemnity for losses covered by the contract. The legislation is essential to correct all the anomalies and uncertainties that make the conduct of business unpredictable in so far as marine insurance contracts are concerned.

I thank the opposition House leader and my colleague from Ottawa South. We worked hard on the bill and achieved something we can be proud of, something that will better the business of Canada.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the third time and passed.

[*Translation*]

Mr. Tremblay (Québec–Est): Mr. Speaker, I rise on a point of order. Since there are only a few seconds left before the bells at 7.45 p.m., I would ask that the proceedings of the House be suspended and that the vote take place at 8 p.m.

Mr. Plamondon: This is a government without ideas which is not even capable of tabling bills. We are ready, we are here to debate and we have no intention of stopping now. When bills are tabled, they must be debated.

When bills are tabled, they must be discussed and debated.

SUSPENSION OF SITTING

The Acting Speaker (Mr. DeBlois): Since there is nothing left on the Orders of the Day, since there is no bill right now, the sitting of the House is suspended for two minutes, until 7.45 p.m.

The sitting of the House was suspended at 7.43 p.m..

[*English*]

SITTING RESUMED

The House resumed at 7.45 p.m.

* * *

BUDGET IMPLEMENTATION (GOVERNMENT ORGANIZATION) ACT, 1992

MEASURE TO ENACT

The House resumed consideration of Bill C–93, an act to implement certain government organization provisions of the budget tabled in the House of Commons on February 25, 1992, as reported (with amendments) from a legislative committee; and Motions Nos. 21 to 64 inclusive.

The Acting Speaker (Mr. DeBlois): It being 7.45 p.m., pursuant to order adopted earlier this day pursuant to Standing Order 78(3), it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of report stage of the bill now before the House.

Call in the members.

• (2005)

And the division bells having rung:

The Acting Speaker (Mr. DeBlois): Order, please. The first question is on Motion No. 1. The vote on this motion also applies to Motions Nos. 2 to 20 inclusive.

The House divided on Motion No. 1, which was negatived on the following division:

(*Division No. 461*)

YEAS

Members

Althouse	Anawak
Angus	Axworthy (Winnipeg South Centre)
Barrett	Bélair
Bevilacqua	Blaikie
Bouchard (Lac-Saint-Jean)	Boudria
Brewin	Butland
Caccia	Crawford
de Jong	Dingwall
Dionne	Duhamel
Ferguson	Flis
Fontana	Foster
Funk	Gaffney
Gardiner	Gray (Windsor West)
Harvey (Edmonton East)	Heap

Hovdebo	Kaplan
Karpoff	Keyes
Kilgour (Edmonton Southeast)	Langan (Mission—Coquitlam)
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacLaren
MacLellan	Manley
Marleau	McGuire
Milliken	Mitchell
Nunziata	Pagtakhan
Parker	Plamondon
Robinson	Samson
Stewart	Stupich
Taylor	Vanclief
Venne	Walker
Wappel	Young (Acadie—Bathurst)—58

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bird	Bjornson
Blackburn (Jonquière)	Blenkarn
Bosley	Bouchard (Roberval)
Brightwell	Cardiff
Chadwick	Champagne (Champlain)
Chartrand	Clark (Brandon—Souris)
Clifford	Cole
Collins	Cooper
Corbett	Côté
Couture	Crosby (Halifax West)
Danis	Darling
Della Noce	Dick
Dobbie	Dorin
Duplessis	Epp
Fee	Feltham
Ferland	Fontaine
Fretz	Friesen
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Grey (Beaver River)
Guilbault	Gustafson
Harvey (Chicoutimi)	Hawkes
Holtmann	Horner
Horning	Hughes
James	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Koury	Langlois
Larrivée	Lewis
Littlechild	Lopez
MacDougall (Timiskaming—French River)	MacKay
Malone	Marin
Mayer	Mazankowski
McCreath	McDermid
McKnight	McLean
Merrithew	Mitges
Monteith	Moore
Nicholson	O'Kurley
Paproski	Plourde
Porter	Pronovost
Redway	Reid
Reimer	Ricard
Richardson	Robitaille
Saint-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Van De Walle
Vankoughnet	Vézina
Vien	Vincent
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—118	

PAIRED MEMBERS

Blais	Blondin-Andrew
Cadieux	Charest
Clancy	de Cotret
Gagliano	Harb
Hopkins	Karygiannis
Kilger (Stormont—Dundas)	Landry
Loiselle	MacDonald (Rosedale)
Roy-Arcelin	Turner (Vancouver Quadra)

• (2010)

The Acting Speaker (Mr. DeBlois): I declare Motion No. 1 lost. Therefore I declare Motions Nos. 2 to 20 lost.

Mr. Angus: Mr. Speaker, I rise on a point of order. I think You Honour may find that the House would be willing to apply the result of the vote on Motion No. 1 to all other divisions except those on Motions Nos. 38 and 66 in terms of the amendments to the bill.

We would apply the result of the vote on Motion No. 1 to all other divisions except those on Motions Nos. 38 and 66, and then we would apply the result of the vote on Motion No. 1 in reverse to Motion No. 38. That will necessitate an actual vote on Motion No. 66.

Mrs. Catterall: Mr. Speaker, not to withhold unanimous consent but merely to indicate that in giving it I would expect the indulgence of the House, since I was not here for the first vote, to add my name to the vote as recorded with my party.

Some hon. members: Agreed.

Mr. White: Mr. Speaker, I would like to indicate that I agree but I will be voting in favour of all the motions from Motion No. 21 forward and then with the government on the final motion.

The Acting Speaker (Mr. DeBlois): Hon. members have heard the suggestion of the hon. member. Is there unanimous consent?

Some hon. members: Agreed.

The House divided on Motion No. 21, which was negatived on the following division:

(*Division No. 462*)

YEAS

Members

Althouse	Anawak
Angus	Axworthy (Winnipeg South Centre)
Barrett	Bélair
Bevilacqua	Blaikie
Bouchard (Lac-Saint-Jean)	Boudria
Brewin	Butland
Caccia	Catterall
Crawford	de Jong
Dingwall	Dionne

Duhamel
Flis
Foster
Gaffney
Gray (Windsor West)
Heap
Kaplan
Keyes
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacLaren
Manley
McGuire
Mitchell
Pagtakhan
Plamondon
Samson
Stupich
Vanclief
Walker
White
Ferguson
Fontana
Funk
Gardiner
Harvey (Edmonton East)
Hovdebo
Karpoff
Kilgour (Edmonton Southeast)
Laporte
Lee
MacLellan
Marleau
Milliken
Nunziata
Parker
Robinson
Stewart
Taylor
Venne
Wappel
Young (Acadie—Bathurst)—60

NAYS

Members

Anderson
Atkinson
Beatty
Bird
Blackburn (Jonquière)
Bosley
Brightwell
Chadwick
Chartrand
Clifford
Collins
Corbett
Couture
Danis
Della Noce
Dobbie
Duplessis
Fee
Ferland
Fretz
Gibeau
Greene
Guilbault
Harvey (Chicoutimi)
Holtmann
Horning
James
Johnson
Jourdenais
Koury
Larrivée
Littlechild
MacDougall (Timiskaming—French River)
Malone
Mayer
McCreath
McKnight
Merrithew
Monteith
Nicholson
Paproski
Porter
Redway
Reimer
Richardson
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Andre
Attewell
Belsher
Bjornson
Blenkarn
Bouchard (Roberval)
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cooper
Côté
Crosby (Halifax West)
Darling
Dick
Dorin
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Hawkes
Horner
Hughes
Jelinek
Joncas
Kempling
Langlois
Lewis
Lopez
MacKay
Marin
Mazankowski
McDermid
McLean
Mitges
Moore
O'Kurley
Plourde
Pronovost
Reid
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Vankoughnet
Vien
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—117
Van De Walle
Vézina
Vincent
Winegard

PAIRED MEMBERS

Blais
Cadieux
Clancy
Gagliano
Hopkins
Kilger (Stormont—Dundas)
Loiselle
Roy-Arcelin
Blondin-Andrew
Charest
de Cotret
Harb
Karygiannis
Landry
MacDonald (Rosedale)
Turner (Vancouver Quadra)

The House divided on Motion No. 24, which was negatived on the following division:

(Division No. 463)

YEAS

Members

Althouse
Angus
Barrett
Bevilacqua
Bouchard (Lac-Saint-Jean)
Brewin
Caccia
Crawford
Dingwall
Duhamel
Flis
Foster
Gaffney
Gray (Windsor West)
Heap
Kaplan
Keyes
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacLaren
Manley
McGuire
Mitchell
Pagtakhan
Plamondon
Samson
Stupich
Vanclief
Walker
White
Anawak
Axworthy (Winnipeg South Centre)
Bélair
Blaikie
Boudria
Butland
Catterall
de Jong
Dionne
Ferguson
Fontana
Funk
Gardiner
Harvey (Edmonton East)
Hovdebo
Karpoff
Kilgour (Edmonton Southeast)
Laporte
Lee
MacLellan
Marleau
Milliken
Nunziata
Parker
Robinson
Stewart
Taylor
Venne
Wappel
Young (Acadie—Bathurst)—60

NAYS

Members

Anderson
Atkinson
Beatty
Bird
Blackburn (Jonquière)
Bosley
Brightwell
Chadwick
Chartrand
Clifford
Collins
Corbett
Couture
Andre
Attewell
Belsher
Bjornson
Blenkarn
Bouchard (Roberval)
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cooper
Côté
Crosby (Halifax West)

Danis
Della Noce
Dobbie
Duplessis
Fee
Ferland
Fretz
Gibeau
Greene
Guilbault
Harvey (Chicoutimi)
Holtmann
Horning
James
Johnson
Jourdenais
Koury
Larrivée
Littlechild
MacDougall (Timiskaming—French River)
Malone
Mayer
McCreath
McKnight
Merrithew
Monteith
Nicholson
Paproski
Porter
Redway
Reimer
Richardson
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vien
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—117

Darling
Dick
Dorin
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Hawkes
Horner
Hughes
Jelinek
Joncas
Kempling
Langlois
Lewis
Lopez
MacKay
Marin
Mazankowski
McDermid
McLean
Mitges
Moore
O'Kurley
Plourde
Pronovost
Reid
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Van De Walle
Vézina
Vincent
Winegard

PAIRED MEMBERS

Blais
Cadieux
Clancy
Gagliano
Hopkins
Kilger (Stormont—Dundas)
Loiselle
Roy-Arcelin

Blondin-Andrew
Charest
de Cotret
Harb
Karygiannis
Landry
MacDonald (Rosedale)
Turner (Vancouver Quadra)

The House divided on Motion No. 32, which was negatived on the following division:

(Division No. 464)

YEAS

Members

Althouse
Angus
Barrett
Bevilacqua
Bouchard (Lac-Saint-Jean)
Brewin
Caccia
Crawford
Dingwall
Duhamel
Flis

Anawak
Axworthy (Winnipeg South Centre)
Bélair
Blaikie
Boudria
Butland
Catterall
de Jong
Dionne
Ferguson
Fontana

Foster
Gaffney
Gray (Windsor West)
Heap
Kaplan
Keyes
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacLaren
Manley
McGuire
Mitchell
Pagtakhan
Plamondon
Samson
Stupich
Vanclief
Walker
White

Funk
Gardiner
Harvey (Edmonton East)
Hovdebo
Karpoff
Kilgour (Edmonton Southeast)
Laporte
Lee
MacLellan
Marleau
Milliken
Nunziata
Parker
Robinson
Stewart
Taylor
Venne
Wappel
Young (Acadie—Bathurst)—60

NAYS

Members

Anderson
Atkinson
Beatty
Bird
Blackburn (Jonquière)
Bosley
Brightwell
Chadwick
Chartrand
Clifford
Collins
Corbett
Couture
Danis
Della Noce
Dobbie
Duplessis
Fee
Ferland
Fretz
Gibeau
Greene
Guilbault
Harvey (Chicoutimi)
Holtmann
Horning
James
Johnson
Jourdenais
Koury
Larrivée
Littlechild
MacDougall (Timiskaming—French River)
Malone
Mayer
McCreath
McKnight
Merrithew
Monteith
Nicholson
Paproski
Porter
Redway
Reimer
Richardson
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Vankoughnet

Andre
Attewell
Belsher
Bjornson
Blenkarn
Bouchard (Roberval)
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cooper
Côté
Crosby (Halifax West)
Darling
Dick
Dorin
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Hawkes
Horner
Hughes
Jelinek
Joncas
Kempling
Langlois
Lewis
Lopez
MacKay
Marin
Mazankowski
McDermid
McLean
Mitges
Moore
O'Kurley
Plourde
Pronovost
Reid
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Van De Walle
Vézina

Vien — Vincent
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre) — Winegard
Worthy—117

PAIRED MEMBERS

Blais — Blondin-Andrew
Cadieux — Charest
Clancy — de Cotret
Gagliano — Harb
Hopkins — Karygiannis
Kilger (Stormont—Dundas) — Landry
Loiselle — MacDonald (Rosedale)
Roy-Arcelin — Turner (Vancouver Quadra)

The House divided on Motion No. 38, which was agreed to on the following division:

(Division No. 465)

YEAS

Members

Anderson — Andre
Atkinson — Attewell
Beatty — Belsher
Bird — Bjornson
Blackburn (Jonquière) — Blenkarn
Bosley — Bouchard (Roberval)
Brightwell — Cardiff
Chadwick — Champagne (Champlain)
Chartrand — Clark (Brandon—Souris)
Clifford — Cole
Collins — Cooper
Corbett — Côté
Couture — Crosby (Halifax West)
Danis — Darling
Della Noce — Dick
Dobbie — Dorin
Duplessis — Epp
Fee — Feltham
Ferland — Fontaine
Fretz — Friesen
Gibeau — Gray (Bonaventure—Îles-de-la-Madeleine)
Greene — Grey (Beaver River)
Guilbault — Gustafson
Harvey (Chicoutimi) — Hawkes
Holtmann — Horner
Horning — Hughes
James — Jelinek
Johnson — Joncas
Jourdenais — Kempling
Koury — Langlois
Larrivée — Lewis
Littlechild — Lopez
MacDougall (Timiskaming—French River) — MacKay
Malone — Marin
Mayer — Mazankowski
McCreath — McDermid
McKnight — McLean
Merrithew — Mitges
Monteith — Moore
Nicholson — O'Kurley
Paproski — Plourde
Porter — Pronovost
Redway — Reid
Reimer — Ricard
Richardson — Robitaille
Saint-Julien — Schneider
Scott (Victoria—Haliburton) — Scott (Hamilton—Wentworth)
Shields — Siddon
Sobeski — Soetens
Sparrow — Stevenson
Tardif — Tétreault
Thacker — Thompson
Thorkelson — Tremblay (Québec-Est)
Tremblay (Lotbinière) — Van De Walle
Vankoughnet — Vézina
Vien — Vincent
White — Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre) — Winegard
Worthy—118

NAYS

Members

Althouse — Anawak
Angus — Axworthy (Winnipeg South Centre)
Barrett — Bélair
Bevilacqua — Blaikie
Bouchard (Lac-Saint-Jean) — Boudria
Brewin — Butland
Caccia — Catterall
Crawford — de Jong
Dingwall — Dionne
Duhamel — Ferguson
Flis — Fontana
Foster — Funk
Gaffney — Gardiner
Gray (Windsor West) — Harvey (Edmonton East)
Heap — Hovdebo
Kaplan — Karpoff
Keyes — Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam) — Laporte
LeBlanc (Cape Breton Highlands—Canso) — Lee
MacLaren — MacLellan
Manley — Marleau
McGuire — Milliken
Mitchell — Nunziata
Pagtakhan — Parker
Plamondon — Robinson
Samson — Stewart
Stupich — Taylor
Vanclief — Venne
Walker — Wappel
Young (Acadie—Bathurst)—59

PAIRED MEMBERS

Blais — Blondin-Andrew
Cadieux — Charest
Clancy — de Cotret
Gagliano — Harb
Hopkins — Karygiannis
Kilger (Stormont—Dundas) — Landry
Loiselle — MacDonald (Rosedale)
Roy-Arcelin — Turner (Vancouver Quadra)

The House divided on Motion No. 40, which was negatived on the following division:

(Division No. 466)

YEAS

Members

Althouse — Anawak
Angus — Axworthy (Winnipeg South Centre)
Barrett — Bélair
Bevilacqua — Blaikie
Bouchard (Lac-Saint-Jean) — Boudria
Brewin — Butland
Caccia — Catterall
Crawford — de Jong
Dingwall — Dionne
Duhamel — Ferguson
Flis — Fontana
Foster — Funk
Gaffney — Gardiner
Gray (Windsor West) — Harvey (Edmonton East)
Heap — Hovdebo
Kaplan — Karpoff

Keyes
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacLaren
Manley
McGuire
Mitchell
Pagtakhan
Plamondon
Samson
Stupich
Vanclief
Walker
White
Kilgour (Edmonton Southeast)
Laporte
Lee
MacLellan
Marleau
Milliken
Nunziata
Parker
Robinson
Stewart
Taylor
Venne
Wappel
Young (Acadie—Bathurst)—60

NAYS

Members

Anderson
Atkinson
Beatty
Bird
Blackburn (Jonquière)
Bosley
Brightwell
Chadwick
Chartrand
Clifford
Collins
Corbett
Couture
Danis
Della Noce
Dobbie
Duplessis
Fee
Ferland
Fretz
Gibeau
Greene
Guilbault
Harvey (Chicoutimi)
Holtmann
Horning
James
Johnson
Jourdenais
Koury
Larrivée
Littlechild
MacDougall (Timiskaming—French River)
Malone
Mayer
McCreath
McKnight
Merrithew
Monteith
Nicholson
Paproski
Porter
Redway
Reimer
Richardson
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vien
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—117
Andre
Attewell
Belsher
Bjornson
Blenkarn
Bouchard (Roberval)
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cooper
Côté
Crosby (Halifax West)
Darling
Dick
Dorin
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Hawkes
Horner
Hughes
Jelinek
Joncas
Kempling
Langlois
Lewis
Lopez
MacKay
Marin
Mazankowski
McDermid
McLean
Mitges
Moore
O'Kurley
Plourde
Pronovost
Reid
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Van De Walle
Vézina
Vincent
Winegard

PAIRED MEMBERS

Blais
Cadieux
Clancy
Gagliano
Hopkins
Kilger (Stormont—Dundas)
Loiselle
Roy-Arcelin
Blondin-Andrew
Charest
de Cotret
Harb
Karygiannis
Landry
MacDonald (Rosedale)
Turner (Vancouver Quadra)

The House divided on Motion No. 65, which was negatived on the following division:

(Division No. 467)

YEAS

Members

Althouse
Angus
Barrett
Bevilacqua
Bouchard (Lac-Saint-Jean)
Brewin
Caccia
Crawford
Dingwall
Duhamel
Flis
Foster
Gaffney
Gray (Windsor West)
Heap
Kaplan
Keyes
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacLaren
Manley
McGuire
Mitchell
Pagtakhan
Plamondon
Samson
Stupich
Vanclief
Walker
Young (Acadie—Bathurst)—59
Anawak
Axworthy (Winnipeg South Centre)
Bélair
Blaikie
Boudria
Butland
Catterall
de Jong
Dionne
Ferguson
Fontana
Funk
Gardiner
Harvey (Edmonton East)
Hovdebo
Karpoff
Kilgour (Edmonton Southeast)
Laporte
Lee
MacLellan
Marleau
Milliken
Nunziata
Parker
Robinson
Stewart
Taylor
Venne
Wappel

NAYS

Members

Anderson
Atkinson
Beatty
Bird
Blackburn (Jonquière)
Bosley
Brightwell
Chadwick
Chartrand
Clifford
Collins
Corbett
Couture
Danis
Della Noce
Dobbie
Duplessis
Fee
Ferland
Fretz
Andre
Attewell
Belsher
Bjornson
Blenkarn
Bouchard (Roberval)
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cooper
Côté
Crosby (Halifax West)
Darling
Dick
Dorin
Epp
Feltham
Fontaine
Friesen

Gibeau
Greene
Guilbault
Harvey (Chicoutimi)
Holtmann
Horning
James
Johnson
Jourdenais
Koury
Larrivée
Littlechild
MacDougall (Timiskaming—French River)
Malone
Mayer
McCreath
McKnight
Merrithew
Monteith
Nicholson
Paproski
Porter
Redway
Reimer
Richardson
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vien
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—118

Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Hawkes
Horner
Hughes
Jelinek
Joncas
Kempling
Langlois
Lewis
Lopez
MacKay
Marin
Mazankowski
McDermid
McLean
Mitges
Moore
O'Kurley
Plourde
Pronovost
Reid
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Van De Walle
Vézina
Vincent
Wilbee
Winegard

PAIRED MEMBERS

Blais
Cadieux
Clancy
Gagliano
Hopkins
Kilger (Stormont—Dundas)
Loiselle
Roy-Arcelin

Blondin-Andrew
Charest
de Cotret
Harb
Karygiannis
Landry
MacDonald (Rosedale)
Turner (Vancouver Quadra)

The Acting Speaker (Mr. DeBlois): The next question is on Motion No. 66.

The House divided on Motion No. 66, which was agreed to on the following division:

(Division No. 468)

YEAS

Members

Althouse
Andre
Atkinson
Barrett
Belsher
Bjornson
Blaikie
Bosley
Bouchard (Lac-Saint-Jean)
Brightwell
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cooper
Côté
Crosby (Halifax West)
Darling
Della Noce
Dobbie
Duplessis
Fee
Ferland
Fretz
Funk
Gibeau
Greene
Guilbault
Harvey (Chicoutimi)
Hawkes
Holtmann
Horning
Hughes
Jelinek
Joncas
Karpoff
Koury
Langlois
Larrivée
Littlechild
MacDougall (Timiskaming—French River)
Malone
Mayer
McCreath
McKnight
Merrithew
Mitges
Moore
O'Kurley
Plamondon
Porter
Redway
Reimer
Richardson
Robitaille
Samson
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Stupich
Taylor
Thacker
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vézina
Vincent
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—141

Anderson
Angus
Attewell
Beatty
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Brewin
Butland
Chadwick
Chartrand
Clifford
Collins
Corbett
Couture
Danis
de Jong
Dick
Dorin
Epp
Feltham
Fontaine
Friesen
Gardiner
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Edmonton East)
Heap
Horner
Hovdebo
James
Johnson
Jourdenais
Kempling
Langan (Mission—Coquitlam)
Laporte
Lewis
Lopez
MacKay
Marin
Mazankowski
McDermid
McLean
Mitchell
Monteith
Nicholson
Parker
Plourde
Pronovost
Reid
Ricard
Robinson
Saint-Julien
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tardif
Tétreault
Thompson
Tremblay (Québec-Est)
Van De Walle
Venne
Vien
White
Winegard

NAYS

Members

Anawak
Bélair
Boudria
Catterall
Dingwall
Duhamel
Flis
Foster
Gray (Windsor West)
Keyes
LeBlanc (Cape Breton Highlands—Canso)
MacLaren
Manley
McGuire
Nunziata
Stewart
Walker
Young (Acadie—Bathurst)—35

Axworthy (Winnipeg South Centre)
Bevilacqua
Caccia
Crawford
Dionne
Ferguson
Fontana
Gaffney
Kaplan
Kilgour (Edmonton Southeast)
Lee
MacLellan
Marleau
Milliken
Pagtakhan
Vanclief
Wappel

PAIRED MEMBERS

Blais	Blondin–Andrew
Cadieux	Charest
Clancy	de Cotret
Gagliano	Harb
Hopkins	Karygiannis
Kilger (Stormont—Dundas)	Landry
Loiselle	MacDonald (Rosedale)
Roy–Arcelin	Turner (Vancouver Quadra)

• (2015)

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

The House divided on Motion No. 67, which was negatived on the following division:

(Division No. 469)

YEAS

Members

Althouse	Anawak
Angus	Axworthy (Winnipeg South Centre)
Barrett	Bélair
Bevilacqua	Blaikie
Bouchard (Lac–Saint–Jean)	Boudria
Brewin	Butland
Caccia	Catterall
Crawford	de Jong
Dingwall	Dionne
Duhamel	Ferguson
Flis	Fontana
Foster	Funk
Gaffney	Gardiner
Gray (Windsor West)	Harvey (Edmonton East)
Heap	Hovdebo
Kaplan	Karpoff
Keyes	Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacLaren	MacLellan
Manley	Marleau
McGuire	Milliken
Mitchell	Nunziata
Pagtakhan	Parker
Plamondon	Robinson
Samson	Stewart
Stupich	Taylor
Vanclief	Venne
Walker	Wappel
Young (Acadie—Bathurst)—59	

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bird	Bjornson
Blackburn (Jonquière)	Blenkarn
Bosley	Bouchard (Roberval)
Brightwell	Cardiff
Chadwick	Champagne (Champlain)
Chartrand	Clark (Brandon—Souris)
Clifford	Cole
Collins	Cooper
Corbett	Côté
Couture	Crosby (Halifax West)
Danis	Darling
Della Noce	Dick
Dobbie	Dorin
Duplessis	Epp
Fee	Feltham
Ferland	Fontaine
Fretz	Friesen
Gibeau	Gray (Bonaventure—Îles–de–la–Madeleine)
Greene	Grey (Beaver River)
Guilbault	Gustafson
Harvey (Chicoutimi)	Hawkes
Holtmann	Horner
Horning	Hughes
James	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Koury	Langlois
Larrivée	Lewis
Littlechild	Lopez
MacDougall (Timiskaming—French River)	MacKay
Malone	Marin
Mayer	Mazankowski
McCreath	McDermid
McKnight	McLean
Merrithew	Mitges
Monteith	Moore
Nicholson	O'Kurley
Paproski	Plourde
Porter	Pronovost
Redway	Reid
Reimer	Ricard
Richardson	Robitaille
Saint–Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Têtreault
Thacker	Thompson
Thorkelson	Tremblay (Québec–Est)
Tremblay (Lotbinière)	Van De Walle
Vankoughnet	Vézina
Vien	Vincent
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—118	

PAIRED MEMBERS

Blais	Blondin–Andrew
Cadieux	Charest
Clancy	de Cotret
Gagliano	Harb
Hopkins	Karygiannis
Kilger (Stormont—Dundas)	Landry
Loiselle	MacDonald (Rosedale)
Roy–Arcelin	Turner (Vancouver Quadra)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

Mr. Angus: Mr. Speaker, I think you would find the House willing to apply the vote taken on Motion No. 1 in the name of Mr. Dingwall in reverse to this motion.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some hon. members: Agreed.

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

(Division No. 470)

YEAS

Members

Anderson
Andre
Atkinson
Attewell
Beatty
Belsher
Bird
Bjornson
Blackburn (Jonquière)
Blenkarn
Bosley
Bouchard (Roberval)
Brightwell
Cardiff
Chadwick
Champagne (Champlain)
Chartrand
Clark (Brandon—Souris)
Clifford
Cole
Collins
Cooper
Corbett
Côté
Couture
Crosby (Halifax West)
Danis
Darling
Della Noce
Dick
Dobbie
Dorin
Duplessis
Epp
Fee
Feltham
Ferland
Fontaine
Fretz
Friesen
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Grey (Beaver River)
Guilbault
Gustafson
Harvey (Chicoutimi)
Hawkes
Holtmann
Horner
Horning
Hughes
James
Jelinek
Johnson
Joncas
Jourdenais
Kempling
Koury
Langlois
Larrivée
Lewis
Littlechild
Lopez
MacDougall (Timiskaming—French River)
MacKay
Malone
Marin
Mayer
Mazankowski
McCreath
McDermid
McKnight
McLean
Merrithew
Mitges
Monteith
Moore
Nicholson
O'Kurley
Paproski
Plourde
Porter
Pronovost
Redway
Reid
Reimer
Ricard
Richardson
Robitaille
Saint-Julien
Schneider
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Shields
Siddon
Sobeski
Soetens
Sparrow
Stevenson
Tardif
Tétreault
Thacker
Thompson
Thorkelson
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Van De Walle
Vankoughnet
Vézina
Vien
Vincent
White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Winegard
Worthy—118

NAYS

Members

Althouse
Anawak
Angus
Axworthy (Winnipeg South Centre)
Barrett
Bélair
Bevilacqua
Blaikie
Bouchard (Lac-Saint-Jean)
Boudria
Brewin
Butland
Caccia
Catterall
Crawford
de Jong
Dingwall
Dionne
Duhamel
Ferguson
Flis
Fontana
Foster
Funk
Gaffney
Gardiner
Gray (Windsor West)
Harvey (Edmonton East)
Heap
Hovdebo
Kaplan
Karpoff
Keyes
Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam)
Laporte
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacLaren
MacLellan
Manley
Marleau
McGuire
Milliken
Mitchell
Nunziata
Pagtakhan
Parker
Plamondon
Robinson
Samson
Stewart
Stupich
Taylor
Vanclief
Venne
Walker
Wappel
Young (Acadie—Bathurst)—59

PAIRED MEMBERS

Blais
Blondin-Andrew
Cadieux
Charest
Clancy
de Cotret
Gagliano
Harb
Hopkins
Karygiannis
Kilger (Stormont—Dundas)
Landry
Loiselle
MacDonald (Rosedale)
Roy-Arcelin
Turner (Vancouver Quadra)

The Acting Speaker (Mr. DeBlois): When shall the bill be read the third time? At the next sitting of the House.

It being 8.20 p.m., this House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 8.20 p.m.

HOUSE OF COMMONS

Thursday, April 22, 1993

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to six petitions.

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

* * *

• (1010)

HOUSE MANAGEMENT

86TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I have the honour to present the 86th report of the Standing Committee on House Management, concerning the list of members to compose the legislative committee on Bill C-117.

Pursuant to Standing Order 13(1), this report is deemed adopted when laid upon the table.

87TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I also have the honour to present the 87th report of the Standing Committee on House Management, concerning the general list of members to serve on committees in the Departmental envelope.

With leave of the House, I intend to move for concurrence in this report later this day.

[*English*]

JUSTICE AND SOLICITOR GENERAL

14TH REPORT OF STANDING COMMITTEE

Mr. Bob Horner (Mississauga West): Mr. Speaker, I have the honour to present, in both official languages, the 14th report of the Standing Committee on Justice and Solicitor General.

Pursuant to Standing Order 108(2) your committee has considered the examination of the uncensored version of the report of Mr. Gill Rhodes on the conditional release from the Edmonton institution of inmates Gerry Claude Crews and Albert Allan Foulston and other matters relating to conditional release, sentencing and dangerous offenders.

To ensure better protection for society the committee believes that conditional release should be granted only after the risks have been effectively assessed. Accordingly, in light of what it heard the committee has made recommendations aimed at improving the risk assessment process prior to release.

The committee's examination went beyond the original scope of its study by pointing out some of the structural, legislative and administrative shortcomings of the conditional release system.

As a result, there are a number of recommendations to the Corrections and Conditional Release Act. The committee is also calling for amendments to part 24 of the Criminal Code of Canada pertaining to dangerous offenders.

Finally the committee recommends further amendments to the Corrections and Conditional Release Act

that would allow for an independent review of the tenure of National Parole Board members.

Pursuant to Standing Order 109, the committee requests a comprehensive response to this report in 150 days.

* * *

ENVIRONMENT

SEVENTH REPORT OF STANDING COMMITTEE

Hon. David MacDonald (Rosedale): Mr. Speaker, I have the honour today, Earth Day, to present in both official languages the seventh report of the Standing Committee on the Environment in relation to Canada's response to the conventions on biodiversity and climate change signed at the earth summit held in Rio June 3 to 14, 1992.

This report contains 23 recommendations ranging from the protection of endangered species, habitat, ecosystems and biodiversity in Canada to recommendations encouraging higher fuel efficiency standards for automobiles and a shift to alternate fuels.

The committee also examined the issue of Canada's international commitment to developing countries and recommended that Canada increase its official assistance to .7 per cent of the GNP by the year 2000.

The hearings of this study were critical and were held one week before the prompt ratification by Canada of these historic conventions.

Rio was not an end unto itself but rather a reaffirmation that if the planet is to survive, we must strive toward establishing a new global partnership. We can no longer live in isolation from one another.

May I say in tabling this report we welcome as well the historic actions taken by President Clinton yesterday in confirming that the U.S. will support the biodiversity convention and will set standards for the year 2000 in meeting the challenge of climate change.

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

* * *

MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 1993

MEASURE TO ENACT

Hon. Doug Lewis (for the Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)) moved for leave to introduce Bill C-125, an act to correct certain anomalies, inconsistencies, archaisms and errors in the Statutes of Canada, to deal with other matters of a non-controversial and uncomplicated nature in those statutes and to repeal certain provisions of those statutes that have expired or lapsed or otherwise ceased to have effect.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Lewis (for the Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)) moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

• (1015)

PATENT REVIVAL (SELEGILINE) ACT

MEASURE TO ENACT

Mr. Harry Chadwick (Bramalea—Gore—Malton) moved for leave to introduce Bill C-421, an act to revive a patent relating to a pharmaceutical product.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Chadwick: Mr. Speaker, I would like to present my private member's bill, a bill to revive the patent for Eldepryl. This bill would revive the original Canadian patent for the drug Eldepryl which was introduced into Canada for the treatment of Parkinson's disease by the Canadian company Deprenyl Research Limited. The bill would revive the original Canadian patent for Eldepryl until June 5, 1996, thus providing protection similar to that now enjoyed by Eldepryl in the U.S.

The Acting Speaker (Mr. Paproski): Mr. Chadwick moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

Mr. Kaplan: Mr. Speaker, I rise to seek unanimous consent for leave to introduce a private member's bill. I seek unanimous consent because the bill was just tabled yesterday. I have spoken to the House leaders and I

believe you will find there is unanimous consent for me to do so.

The Acting Speaker (Mr. Paproski): Does the hon. member have the unanimous consent of the House?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

* * *

CURRENCY ACT

MEASURE TO AMEND

Hon. Bob Kaplan (York Centre) moved for leave to introduce Bill C-422, an act to amend the Currency Act (abolition of the cent).

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Kaplan: Mr. Speaker, this is a bill to abolish the penny from legal tender. I think the move is justified by the fact that the penny now costs 1.25 cents to produce, by the fact that hundreds of thousands of Canadians have shown their feelings by not putting pennies back into circulation and accumulating them at home, and by the nuisance value and the delays in commerce that are created by calculation of small amounts of change.

The Acting Speaker (Mr. Paproski): Mr. Kaplan moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

[*Translation*]

HOUSE MANAGEMENT

CONCURRENCE IN 87TH REPORT OF THE STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, with leave of the House, I move, that the 87th report of the Standing Committee on House Management, tabled earlier today, be concurred in.

Motion agreed to.

* * *

• (1020)

[*English*]

PETITIONS

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition on behalf of a number of residents of the great city of Kamloops. They indicate their concern with the present NAFTA wording. It is not clear to them that water is an exempt category.

These petitioners ask the Government of Canada to ensure that water is exempt.

CHILDREN

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I have about 10,000 signatures of petitioners from Calgary and the surrounding area in memory of all children that have suffered at the hands of others.

The petition states: "We have formed this petition to stress our belief that the penalties in respect to child molesters and child murderers are far too lenient in this country. We strongly request that this petition be heard as a people's vote to reinstate capital punishment for child murderers and to stiffen penalties for child molesters.

If we cannot protect our children from the people who commit these heinous crimes, then who will? Therefore your petitioners call upon Parliament to enact legislation against this type of offender".

As I said, I have altogether 250,000 signatures that I am going to introduce in the following days. I hope the Minister of Justice takes note of these petitions.

WATER DIVERSION

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, today being Earth Day today I have the pleasure of tabling a very important petition signed by residents of British Columbia expressing concern about an emerging resource and environmental issue of water diversion and in particular proposals by multinational companies to divert the North Thompson River at Valemount, B.C. into Kinbasket Lake for eventual export to California.

The petitioners are concerned about this particular project and wish to draw it to the attention of Parliament.

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have petitions from approximately 2,700 people collected mostly in two days of petition drives throughout my constituency against the North American free trade agreement.

In the view of those who signed the petition the North American free trade agreement has resulted in even greater trade concessions being demanded of Canada.

The petitioners also believe that the agreement will cause Canadians to lose more good jobs in the future. They believe further that the trade agreement, if implemented, will result in further restrictions being placed on the ability of Canada's federal, provincial and territorial governments now and in the future to assist Canadian industry, conserve Canadian natural resources and advance needed social programs.

Therefore they call on the House to reject the North American free trade agreement and recommend to the government that it use the termination clause to end the U.S.-Canada Free Trade Agreement.

I might say that approximately 90 per cent of the people we asked to sign this petition indicated their willingness to do so.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a petition signed by a large number of people in Surrey and the surrounding municipality of Langley, B.C. and some of the other areas in the lower mainland of British Columbia.

The petitioners point out that the proposed North American free trade agreement will result in even greater trade concessions being demanded of Canada. They are particularly concerned that the new trade agreement will prevent the reintroduction of generic drugs into this country.

Therefore the petitioners call on the House to reject the proposed North American free trade agreement and to recommend the government use the termination clause in the Canada-U.S. Free Trade Agreement.

• (1025)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, the following questions will be answered today: Nos. 404 and 497.

[*Text*]

Question No. 404—**Mrs. Campbell (South West Nova):**

With respect to the department of employment's training budget for 1992-93 in Nova Scotia, (a) how much was taken away and given to other provinces (b) how much was taken from each employment centre in Nova Scotia?

Hon. Bernard Valcourt (Minister of Employment and Immigration): (a) The Department of Employment and Immigration Canada in Nova Scotia participated in a general redistribution of unemployment insurance developmental uses funds. Nova Scotia contributed a little more than $1.5 million from its initial allocation of section 26.1 and section 25 funds. (b) It was necessary to adjust the Canada employment centres developmental uses budgets by the following amounts:

Amherst	$ 103,200
Antigonish	86,900
Bridgewater	97,400
Digby	56,400
Halifax	356,900
Kentville	91,900
New Glasgow	113,700
Port Hawkesbury	107,200
Sydney	333,000
Truro	79,700
Windsor	54,200
Yarmouth	55,000
Total	$ 1,535,500

Question No. 497—**Mr. Bosley:**

With respect to the December 31, 1991 deadline for filing applications for the federal sales tax inventory, (a) how many businesses filed their rebate after the deadline (b) what would be the estimated cost to the treasury of retroactively extending the deadline to December 31, 1992 so that all cases of double taxation could be redressed?

Hon. Otto Jelinek (Minister of National Revenue): For the period of January 1, 1992 to March 31, 1993, at least 2,650 claims were filed outside the time limit and cancelled. Claims received after March 31, 1992 were returned to claimants with a letter explaining that their claims had been filed outside the time limit. The number of claims returned after March 31 is not recorded. Some registrants did not file a rebate claim because they knew they were outside the time limit. The number of potential claimants who did not file an application cannot be estimated.

Keeping in mind that claims received after March 31, 1992 were not recorded and that the number of potential claimants who did not file an application cannot be estimated, the cost of retroactively extending the deadline to December 31, 1992 cannot be fully estimated. However, for those claims that were data captured, the estimated cost would be at least $10 million.

Retroactively extending the deadline to December 31, 1992 would not redress any cases of double taxation because that date has already passed and potential claimants were not given the chance to file their claims.

In order to ensure that the public was made aware of the federal sales tax inventory rebate deadline, the department published and distributed GST Memorandum 900 "Federal Sales Tax Inventory Rebates" to all GST registrants as part of its initial registration acknowledgement kit. In addition, more than 500,000 rebates forms, which also notated the deadline period for filing, were sent directly to those registrants who indicated on their registration application form that they had goods for resale. Throughout 1991 inventory rebate application forms were also available from all our Excise/GST offices as well as the accounting community.

[*Translation*]

The Acting Speaker (Mr. Paproski): The questions enumerated by the parliamentary secretary have been answered.

Mr. Langlois: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some hon. members: Agreed.

[*English*]

Mr. Riis: A point of order, Mr. Speaker. We are fortunate the government House leader's parliamentary secretary is here. We all remember that during the second reading stage of the North American free trade agreement debate, the debate was limited to only four hours and 10 minutes and then closure was brought in. Could he confirm that this morning the committee studying the NAFTA agreement has agreed to also impose closure and to limit debate during the committee hearings.

[*Translation*]

Mr. Langlois: Mr. Speaker, the House Leader of the New Democratic Party asked a question I cannot answer immediately. I will make enquiries and get back to him later today.

[*English*]

The Acting Speaker (Mr. Paproski): Is there another supplementary question relative to the point of order?

Mr. Riis: Actually it is another related point of order, Mr. Speaker. The parliamentary secretary is absolutely correct. Since it is Thursday, at three o'clock the government House leader will have a chance to bring the House up to date on various affairs. Perhaps that would be the appropriate time to ask that question.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor) moved:

That this House condemns the government for policies which have decimated the economy forcing company closures resulting in job losses for Canadian workers.

He said: Mr. Speaker, we have moved this motion today because there is in this Chamber, especially among government members, an air of self-congratulation as they come close to presenting their budget this coming

Monday. They are telling themselves what a wonderful job they are doing and are trying to persuade the Canadian people that what Canada needs and wants is more of what it has had over the last eight and a half years. In my view there could be nothing further from the truth so far as the Canadian people are concerned.

They may hope to camouflage the Conservative record by choosing a new leader, but it will simply be camouflage; it will not indicate any significant difference in the direction, the values and the fundamental priorities of this government and this party.

What this this government is talking about as we come close to a budget in a month with 11 per cent of Canadians officially out of work is the overwhelming need, the incredible priority not of getting people back to work but of dealing with the deficit, as if somehow they could deal with the deficit without getting those people back to work.

It is simply impossible to make any kind of serious impact whatsoever on our deficit problems until the government starts to look at things the right way up instead of "bass ackwards" as it has done for the past eight and a half years. It has to realize the problem is that it has forced people out of work, that those people when they are out of work require income support which leads to an increase in the deficit. The answer has to be to get those people back to work so that we can deal with the deficit problem.

• (1030)

The official figures for unemployment grossly understate the problem. We have done some calculations on the 11 per cent official rate. Our calculations say this. If we take the participation rate which has marked the largest province over the recent period, the province of Ontario, within recent years it has been as high as 70.1 per cent. That gives us a measure of the number of people who want to work in this society.

If we apply the participation rate to the present levels of the potential labour force, we find that the unemployment rate is not 11 per cent, it is 17.1 per cent. That is a much more accurate measure of just how far below the expectations, the hopes, the goals of Canadians the government is falling.

In some provinces like Newfoundland, Prince Edward Island and Nova Scotia, the levels are even more vicious. If we take this approach in Newfoundland, the rate of unemployment would be close to 39 per cent. If we take the same approach to Nova Scotia it would be over 26 per cent. That is a much more accurate view of the gap between what people want, what people are anxious to be able to contribute in terms of employment and what the government has created as a potential for people in this country.

In the province of Quebec, if we took this participation rate of 70 per cent, the unemployment rate would be 22.5 per cent.

[*Translation*]

This is a very important statistic. By taking a more realistic approach, we get 22.5 per cent unemployed in the province of Quebec.

[*English*]

In Ontario, we would be looking at 14 per cent unemployed. In Manitoba the rate would be 13.4 per cent and in British Columbia 15.8 per cent. We are talking about a huge problem, a problem of which the government has simply no sense of its depth. It stands in self-congratulation day after day in this House of Commons saying: "Oh yes, these statistics are going well. Oh yes, the Royal Bank of Canada as it did last year says things are looking tremendous in Canada".

We ended up with the largest number of bankruptcies last year, after the Royal Bank said that things were going tremendously. I fear that the government looks at the world through rose-coloured glasses. It does not see the realities. For instance, it does not see the realities in my home constituency.

• (1035)

These are realities which mean that since 1990 just in my area of Windsor the following plants have closed: Allied Chemical in Amherstburg with 87 workers losing their jobs; A&P retail stores in Windsor, 184 workers; Bomar Coating; Brant Castings, another 114 workers; Chateau Park Retirement Enterprises, another 50 workers; Complax Corporation, 40 workers; Champion Spark Plug Co., 210 workers; Coulter Radiator; Elan Corporation in Chatham, 150 workers; Emrick Plastics; Hunt-Wesson in food processing, 57 workers; Industrial Part Coders Limited, 44 workers; Industrial Platers; International Playing Card Company of Windsor, 35 workers; International Robotics; Kelsey-Hayes, 455 workers who lost their jobs; Motor Wheel Corporation in Chatham, 250 workers; Nabisco Food Processing in Leamington, 87

workers; Newcor Canada Ltd. in Windsor, 66 workers; Reflex Corporation in Amherstburg, 90 workers; Seminole in Windsor, 35 workers; Sheller-Globe in Kingsville in Essex County, 419 workers; Standard Tube in Blenheim in Kent County, 140 workers; the Great Atlantic and Pacific Company, food industry, in Chatham, 63 workers; Tender Flesh Poultry Products in Chatham, 33 workers; Valenite-Modco, another 32 workers; Wean Canada, 145 workers; Wheels Corporation, 153 workers; Windsor Bumper, 338 workers; Windsor Ceramics, 78 workers; Windsor Machine, 13 workers. These are just the plants that have shut down completely.

I could list the lay-offs that have hit all sorts of other plants from Woodbridge Foam in Tilbury to Peerless Plastics, GM in Windsor itself, H.J. Heinz in Leamington, and General Chemical in Amherstburg. My community has been hammered, and it is not just my community. We find this same reality throughout southern Ontario.

Why has it taken place? Ask the workers at these plants and I do not think one would find anybody who will disagree that the fundamental reason this has occurred is the free trade deal with the United States. If we look at our over-all trade balance in goods and services with the United States, if we look at the four years before the free trade deal came into effect, 1985, 1986, 1987, 1988, in every single year Canada ran a surplus. In every single year since the free trade deal came into effect we have run a deficit, and a much larger deficit than any of those surpluses that were run in the previous period.

In 1989 the deficit was $2.4 billion. In 1990 the deficit was $2.7 billion. In 1991 the deficit was $4.8 billion. In 1992 the deficit was $2.6 billion. This is an average deficit of $3.1 billion, compared to a surplus in each of the four years before this trade deal came into effect. That is a very telling piece of reality.

We could talk about individual cases. We could talk about the case of Wyeth drug manufacturing in my community which has now announced a shutdown. We could talk about what I have here in my hands, a grant announcement from this government stating that it was giving a federal grant to a sister company of Wyeth to expand its production, a grant that led to a tremendous increase in the production capacity in this plant.

• (1040)

The final payment on that grant was made in March 1990. Three years later the sister plant in Windsor was shut down to shift production to this increased capacity. In other words, we had Wyeth workers paying through their taxes to eliminate their own jobs.

There is something gross and scandalous about that kind of waste and unfairness and the human tragedy that results as a consequence.

I could continue. I could talk about an announcement just last week by Inter-City Truck Lines which is shutting down. It is one of many truck companies we have lost in this country in recent years.

This particular one is a company that employs 500 workers. It will keep perhaps 75 to 80 that it will spin off to another company. The other 420 or 425 workers will be out on the streets trying to find a job in this harsh economic climate.

Before I finish I want to talk a little about the group of workers from St. Catharines who were here yesterday. They brought to the House of Commons something in the order of 15,000 signed postcards from across this country. The postcards indicated the concern of people for these jobs that are being lost.

These people asked the Prime Minister of this country to improve the Canadian content laws in the auto industry. Most important, they want him to work with the CAW, the union that represents these workers, to help prevent the closure of this excellent foundry in St. Catharines.

This is a foundry that is world class and highly efficient. It would not even be on the chopping block if not for the fact that GM is cutting back its activities all across North America, except in Mexico where it is expanding its activities. It had to take some of that burden and place it on Canada, even though the plants that were being hit in Canada were significantly more productive than the plants that could have been chosen in the United States.

I have 15,000 of these cards here. They show what the empty parking lots of the foundry will look like. They show the workers of Hamilton, St. Catharines and the

Niagara area marching behind a banner saying: "Fighting for a Working Future".

We talk in this country about how people do not want to work. They do want to work. They are willing to go out and fight as hard as they possibly can to get a fair shake, to be able to work in factories they have built up over the years.

These factories continue to make money but yet are being shut down. They are being shut down, frankly, with the blessings of this government instead of with the intervention of it to try to deal with the problem.

One of the other postcards that is included in this group of three they received from so many people in the area simply has a picture of a little girl saying: "My daddy wants his job".

• (1045)

That is what it comes down to, except it is not just her daddy but it is also her mommy. They are not just jobs for the moment, they are jobs for the future.

The minister of industry in this government met with people in St. Catharines and said that he would set up a meeting with the General Motors people in Detroit for the leaders of the fight-back group in St. Catharines. Yet he has refused to follow that up. He has refused to put into effect any of the promises he made to this group of workers.

This is not right. There are so many things we could be doing in this country. We could be intervening to provide some leadership, to try to keep plants that are making a contribution to companies and our country open. We could have new Canadian content regulations and regulations in other areas like the trucking industry that would give us hope for the future.

We could say to the governments of the United States and Mexico that we are not going to proceed with free trade with Mexico because that will make things worse for our country and our workers. We could say, as the Conference Board of Canada suggested today, let us have a community based development effort. Let us have a national investment fund which works through communities to help develop local community initiatives to keep plants like this foundry operating, to keep plants like Wyeth in Windsor operating, to see to it that profitable companies are not simply permitted to desert our communities and leave our workers in the lurch.

We could do these things if we only had compassion from this government, if we only had a sense of caring, and a sense of believing that we can make a difference. We believe that Parliament can make a difference, that government can make a difference, but only if government is prepared to listen to people and make the needs and concerns of people central to the agenda of this place.

As a result of the fact that I think the needs and concerns of people need to be central to the agenda of this place I want to take these postcards to the Prime Minister's desk and leave them for him. He should see these postcards addressed to him and should recognize the 15,000 people in this country who are asking for his intervention to make things better for them and better for the people of Canada.

[*Translation*]

Mr. Tremblay (Québec-Est): Mr. Speaker, I do not see why the hon. member who just started his speech put a bundle of so-called postcards on the Prime Minister's desk in his absence. The postcards should have been delivered to the Chair through the Clerk's office.

[*English*]

The Acting Speaker (Mr. Paproski): I would appreciate if the table officers took the cards off the table.

• (1050)

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, again I want to say that I appreciated many of the remarks of the member for Essex—Windsor who spoke just a few moments ago.

I am one who believes that government can make a difference, that government has a leadership role to play in the economy, and certainly a different kind of leadership role than the one provided by this government. I totally reject the trickle-down theory. The philosophy of this government when it comes to the economy is leave it to the private sector, leave it to the big boys, leave it to trickle down and somehow out of that a miracle will be performed and all the investment decisions will be right, all the job decisions will be right and everyone will prosper and benefit from that kind of loose economic philosophy. All we have to do is look around at the

carnage and the results of the past eight or nine years and we can say that that kind of economic policy does not work.

Not only does the government, in my opinion, have a responsibility to make a difference, but I also believe that people want to work. I do not think people in the main are laggards, lazy bums who want to avoid their responsibilities and avoid making their own way through life. They want a job. How many times have we heard accounts in the past few years about companies giving notice of a job vacancy, one job, two jobs, maybe three or four jobs and the applications for those jobs came pouring in by the hundreds?

In recent weeks a job vacancy was brought to my attention. It was not a job that paid a lot of money. In fact, it offered less than $30,000 a year and in these days $30,000 annual income is not a lot. It was unbelievable the number of job applications that poured into that office. That to me indicates that people really want to work. This notion that if people would just apply themselves and just get off their fannies and look for a job that those jobs will be there is not true. Sure, there are always a few in the economy who for some reason or other do not want to fend for themselves and who do not want to work, but I think that in the main those people are few and far between.

I thought maybe the speaker had left. I wanted to hear a little bit more from him with respect to his talk about the so-called participation rate because I believe too that the current unemployment figures are illusory. I do not believe that the unemployment rate is just 11 per cent or 11.5 per cent. I think that a lot of people have simply given up and they have left the job market. They have left the economy because they have looked and looked and they cannot find anything. I would like to hear a little bit more from the speaker on that, whether he finds evidence that a lot of workers have been out of the work force for many months, perhaps even a few years and they have just given up. They are no longer looking for a job and they are not counted in the unemployment figures.

Mr. Langdon: Mr. Speaker, on the last question which was put by the member for Winnipeg St. James, there are statistics which are collected on discouraged workers. Those statistics have some problems associated with them because in a sense they require people to do a kind of a psychoanalysis of themselves. I think the best approach, the most honest approach is to ask what do we know, what has been shown to us by the economic history of our country? Take a large province like the province of Ontario. We could take the province of Manitoba too but in some ways it is a little fairer to take the province of Ontario because it is a large and relatively diverse province.

• (1055)

We can ask ourselves what do we know from history, not from people being asked to analyse themselves, but what is the record as far as the percentage of people who want to participate in the labour force?

We can find that out by looking over recent years and discovering a level of participation which has been achieved. Within the last three or four years the level we have seen has been upward of 70 per cent in the province of Ontario.

The province of Ontario has a somewhat different structure of its economy from the provinces of Newfoundland and Prince Edward Island.

Mr. Harvard: Because of manufacturing.

Mr. Langdon: Because it is a manufacturing area, because there is less primary production, but there still is a fair amount of primary production too in Ontario. You are getting a fairly balanced picture I think with that figure.

When you apply that figure and say okay that is a fair measure of what Canadians across the country would like to see as their level of participation in the labour force, you will also get a measure of the potential labour force we are really talking about in this country.

You measure the actual unemployment rate plus the difference that you get between the present participation rate and the 70 per cent participation rate. As I say you come up with extremely dramatic figures. It is a 17.1 per cent as an unemployment rate right across the country.

The point that is interesting is that it does not even take into account the number of people who are in part-time jobs who would like to be in full-time jobs. If you took those into account you would probably be looking at an unemployment rate of at least 20 per cent in this country and that is staggering. Across this country

we are failing to meet our potential by a 20 per cent level.

From a human point of view, as the Catholic bishops talked about it, that is appalling. Even from the point of view of a hard-headed economist, which I used to pretend to be, it is a gross waste of human resources to have that many people who want to work, especially at a time when you have underemployed capital equipment, not working.

We have a real problem in this economy and the problem is not the financial deficit. The problem is that we are not coming at all close to living up to our human potential or our economic potential.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member's motion is one of those sweeping statements opposition members are so fond of making. With all due respect, I would like to suggest that opposition members take a good look at some of the very concrete efforts made by our government to get the Canadian economy on the right track.

The hon. member's motion gives the totally false impression that our government has been waiting around without doing a thing. Canadians know that is not the case. We are making very specific and concerted efforts to deal with Canada's economic problems and to encourage businesses to invest in this great country of ours.

Our government offers a number of programs that are starting to show good results. The situation cannot change overnight. There are no instant solutions, but we are making progress.

• (1100)

I realize that some people think economic growth depends on the government. However, the vast majority of Canadians realize that the true source of wealth and prosperity in this country lies in the determination of Canadians, of people confident in their ability to work hard and take the risks inherent in any business venture.

In other words, we cannot legislate prosperity. Prosperity is the result of market forces, and the private sector is in the best position to create it. That is the philosophy behind the agenda the government formulated when it came to power in 1984 and which it has been following ever since.

Since 1984 we have concentrated on implementing the fundamental changes that were necessary to build a more competitive, more market-oriented economy with less government intervention and a more effective and efficient economy that would stimulate investment and job creation.

We privatized more than 20 Crown corporations. This has helped reduce the number of federal employees by 90,000 since 1984.

We took steps to eliminate or restructure 46 federal agencies, boards and commissions.

We embarked on a wide-ranging regulatory review to eliminate all federal regulations that constituted undue barriers to private initiative or were no longer in the public interest. For instance, Agriculture Canada reviewed 58 sets of regulations. Fifteen were eliminated, in whole or in part, and four are being sunsetted and 38 will be modernized.

We are working on reducing overlap and duplication in federal departments and in areas shared with other levels of government.

We deregulated the financial services sector to promote competition and give financial institutions a chance to be more effective, both on Canadian and international markets.

We revamped Canada's bankruptcy laws to make them fairer and more equitable.

We improved and liberalized the investment climate in this country. For instance, we eliminated the Foreign Investment Review Agency and created Investment Canada, which has a far more concrete, positive and dynamic perspective, to attract investment to this country instead of thwarting them.

We deregulated the transportation and energy sectors which included eliminating the disastrous National Energy Program with its punitive taxes and rigid constraints on investment.

However, our efforts to create a climate conducive to private sector activity go far beyond tax reform and deregulation.

As far as inflation is concerned, we applied the basic economic principle that sustained economic growth goes hand in hand with price stability.

Inflation must be low, if we are to enjoy low interest rates. Lower capital costs stimulate investment by high-growth businesses, competitive businesses that create the jobs Canada needs.

We have taken vigorous steps by clearly setting publicly stated objectives and by applying a policy of wage restraint throughout the federal government in order to reduce inflation.

We have been successful. In 1992, inflation averaged 1.5 per cent, the lowest figure in 30 years. As a result we saw a spectacular drop in the bank rate which went down 8.5 points from its peak level in May 1990. Interest rates are now at their lowest levels in 20 years.

For a business that borrows $100,000 repayable over 10 years, this drop in interest rates will mean a savings of about $475 per month.

Consumers also benefit. Some mortgage rates are now as low as 5.75 per cent something we have not seen in 35 years.

• (1105)

I would also like to point out that the difference between the prime rate in Canada and the United States has fallen to 0.25 per cent, from 4.75 per cent in May 1990. The Bank of Canada rate has also fallen to 5.56 per cent, more than 3 per cent below its recent peak last November.

We have completed our efforts to make Canada a welcoming country for business people by reducing barriers to foreign trade, in particular by submitting to this House a bill to extend the benefits of free trade between Canada and the United States to the whole continent with NAFTA.

My colleagues on the other side of the House want to make all Canadians believe that the FTA is a failure. They would no doubt have them believe that the earth is flat. Let me remind them of some basic facts about the FTA.

These are actual facts and not myths that I will mention. Last year Canadian businesses sold a record $122.3 billion of goods to the United States. That was done by people, workers who have confidence in their abilities, optimists, builders. With them we will continue to make our mark on the world market and will remain a very great country.

Our total merchandise exports rose to $157.5 billion, an increase of nearly 21 per cent since the agreement took effect. In 1991 the increase was 11 per cent, the largest annual growth since 1984. These results continued in January because we had a monthly trade surplus of $22.8 billion, the highest since 1985.

Our success should not make us rest on our laurels. Given the persistent weakness in the world economy, growth and job creation in Canada are not as strong as we would all like.

No company, no industry and no country can escape the challenges of the outside world. In no way can the government stifle the forces of change, as the hon. opposition member's party very soon realized when it took power in Ontario.

Everywhere, in Canada or abroad, businesses are going through a period of thorough change and restructuring.

For many companies and their employees, the process is painful. It has forced some companies to downsize and many others to slow down job creation since cost control is essential to greater competitiveness.

Nevertheless, the difficulties accompanying this process must not make us forget that the thorough changes that industry is undergoing today are nothing new for Canada. This is far from the first time that Canada must adjust to fundamental economic changes.

In the 1940s, agriculture provided one quarter of the jobs in Canada; now it is less than 4 per cent. However, we produce more and better food and commodities and all Canadians, including farmers, enjoy a much higher standard of living than their parents did. The same process is going on these days in manufacturing.

Therefore when we are faced with economic changes it is more important than ever to understand what they mean for Canada and what they do not mean. For example, the current decline in employment in manufacturing is not a symptom of fundamental decline in the economy. It does not mean that the FTA was a mistake either.

In fact, the proportion of jobs in manufacturing in Canada has been decreasing since the early 1950s. That did not prevent this sector from nearly tripling its production in the same period.

At the same time we have witnessed remarkable growth in high-technology industries and the service sector in Canada. These industries will be the base of the economy in the 21st century by selling their know-how right here and throughout the world. We can be winners in the new economy. We have tangible proof of that.

• (1110)

The electronics industry employs more people than the pulp and paper industry in Canada.

Today there are more jobs in communications and telecommunications in this country than in the oil and mining industries combined.

In Alberta more people are employed in financial services, including insurance and real estate, than in the oil and gas industry.

That is a fact. An economy is never static. Job content, job supply, corporate structure, types of business, sources of wealth, all these are constantly changing.

This means there is only one way to ensure financial success and it is only open to those countries which do what must be done to grasp new opportunities when they arise even, and especially, when hard choices have to be made.

One area where hard choices have to be made is the way taxpayers' money is spent, taking into account the need to invest in the future and at the same time control government spending.

With regard to investment, we are working toward building a better future for all Canadians by favouring investments capable of adding value to our natural resources and human resources as well. For instance, last year we changed the rules relating to R and D tax incentives to better reflect how businesses spend their money in that area. These changes will translate into an extra $250 million in assistance over five years. And we are currently contemplating other changes to provide another $400 million.

We also know that to make the most of our R and D efforts we must rely on an increasingly skilled labour force. To face this challenge we are increasing manpower adjustment and training assistance. During the next fiscal year we will spend $3.8 billion on that, over 65 per cent more than in 1990-91.

In addition, we have lowered the tax rate on manufacturing in Canada so that Canadian manufacturers can better compete with their American counterparts. We have implemented extensive measures to help the key small business sector.

However, such investments must not be made at the expense of increasing government deficits. Concern for the public debt at all levels has become a common theme with most of the people who were consulted throughout the country as part of the budget preparation process.

More and more Canadians understand how the money borrowed to cover deficits at all levels of government is now strongly pushing interest rates and taxes upward. People are realizing that we simply cannot let that get in the way of growth, investment and job creation.

To curb these pressures, our government has taken drastic measures: bringing the rate of spending growth below the rate of inflation; putting reasonable limits on the growth of federal transfers to the provinces; implementing the Spending Control Act which sets strict limits on the annual growth of most program expenditures; cutting by nearly 50 per cent the deficit as a percentage of the Canadian economy. Since 1984-85, we have reduced our program expenditures by $118 billion.

If it had not been for these measures, the deficit would now have reached $82.5 billion, two and a half times what it is.

In spite of these measures, compound interest on the national debt we inherited continues to put a strain on government finances. Added to this, the recent economic slump has dealt our finances quite a blow, especially on the revenue side.

That is why, in his economic statement back in December, the Minister of Finance announced a wide range of measures to further reduce federal expenditures by $8 billion during the current fiscal year and the next two.

For instance, there will be a two-year freeze on the salaries of cabinet ministers, members of Parliament and civil servants. Incidentally, this is the fifth time since

1985 that ministers and members of Parliament have had to accept salary restrictions or reductions.

• (1115)

The operating budgets of the departments have been reduced by 5 per cent, based on the levels anticipated for the next two years.

For National Defence alone, the salary freeze and the operating budget reduction will translate into savings of about $1.3 billion for taxpayers.

We have taken carefully targeted measures regarding the unemployment insurance program. Working Canadians cannot afford to subsidize those who quit their jobs without just cause.

Finally, we are reducing by 10 per cent federal grants and contributions.

Through these measures we do what is necessary to meet the challenge of public finances in Canada. We must not only live according to our means. We must also repair the damage done when we lived above our means.

Real, basic progress toward the solution of the problem posed by the national debt must be based on the two pillars which we want to strengthen in the budget to be tabled next Monday.

Economic growth and increased revenue will not be enough to solve the problem. Governments must control their expenditures.

We also need a consistent and co-ordinated action plan at the national level. We will not get anywhere if a level of government reduces its taxes while another level does the opposite.

The solution is simple. Growth, investment and long-term job creation depend on the ability to control deficits in the public sector. Our government intends to play the active role of national leader as regards budget co-ordination and economic co-operation. This includes eliminating the barriers to domestic trade, a necessary measure to strengthen our economic union and truly improve the well-being of Canadians.

I spoke today of the challenges which we must face in order to control the rapidly changing economy of the 21st century. This economy can be compared to a new and promising country, in the sense that it offers vast possibilities to the pioneers who are ready to face the unknown in order to take advantage of all this untapped potential.

Canadians can take advantage of these possibilities and they will do it successfully by creating the new quality jobs that go along with the latter, provided we preserve and strenghten the foundations of a competitive and highly productive economy put in place by our government.

However, we will miss out on these possibilities and we will find ourselves facing even greater economic problems if we opt for the solutions put forward by the members of the opposition. These policies would lead us to greater debt and tax burden, while preventing us from doing trade with our main business partner. To implement such policies would be tantamount to returning to the past, ignoring the present, and giving up on the future.

This is not the road Canada must take. On the contrary, according to the OECD, the policies implemented by our government have put us on the right track to enjoying the strongest growth among the largest industrialized countries, this year as well as next year. Canadians deserve that and nothing less.

[*English*]

Mr. Jim Peterson (Willowdale): Mr. Speaker, today in Canada we face what I think are very desperate economic circumstances.

We have seen how Canada has been deindustrialized over the past four years. We have seen the loss of 319,000 manufacturing jobs or 15 per cent of all Canada's manufacturing jobs. Unless one is blind, one cannot attribute this entirely to global forces beyond our control. If that were the case, how would we explain that during the same period of time the United States lost only 7 per cent, not 15 per cent of its manufacturing jobs? In Ontario we have lost 185,000 manufacturing jobs or 18 per cent. In Quebec the figure is 115,000 or 19 per cent of its manufacturing jobs.

• (1120)

[*Translation*]

In Montreal's east end the unemployment rate now stands at 25 per cent. This is terrible. Everywhere else in Canada, the rate is 11 per cent.

[*English*]

One million five hundred and forty thousand Canadians are actively seeking work, but as the Catholic Conference of Bishops told us this is only the tip of the iceberg. Their estimate is that close to four million Canadians are now seeking full-time employment and cannot get it. This includes our official unemployment figures. It includes those who stopped looking for jobs because they just are not there and those part-time workers who seek full-time employment. This is indeed a desperate situation.

Why do we find ourselves in this position? We have seen a Conservative monetary policy which has emphasized controlling inflation at the expense of growth and jobs. We have seen a Tory fiscal policy over the past eight years with 33 tax increases, including the GST, making us a much higher tax jurisdiction than our major competitor, the United States. Yet, have they been able to bring the deficit under control? No. Our national debt is not the $165 billion that it was when they took office in 1984. It is now $450 billion, much of that now controlled by foreigners so that the interest payments made on our debt go out of Canada, that are reinvested abroad and produce no tax revenue, not even withholding tax revenue as it is paid to foreigners.

We have seen a trade policy brought in. Our party is not against liberalized trade. We know that it has benefits. We have always been the party of freer trade, but they gave us a trade deal without programs for adjusting to the new realities to help our workers compete. They have given us a trade program without definitions of subsidies or anti-dumping.

What happens? New investment to service the North American market has not come to Canada because Canadians are now facing unprecedented trade harassment. On the Honda issue alone there was no binding arbitration available. What manufacturers will want to establish themselves in Canada when even if we can win a trade dispute one or two years down the road through a binational panel they are still subject to that harassment of preliminary duties and everything else?

We have seen in the province of Ontario how its introduction of new labour legislation has created a chill on investment. We have also seen that because so much of Canadian manufacturing and production is controlled by foreigners that when there is a global downturn in the economy, Canada suffers more than others. Head offices abroad will close down Canadian branch plants before they will sacrifice workers in their home jurisdiction.

As Mickey Cohen, former deputy minister of finance said a short time ago in Toronto, we now face the incredible problem where we are a high wage nation but we could be doomed to being a high unemployment nation. This is one of the incredible challenges that we face. Not in the nine years of Tory management of our economy have we had the comprehensive view of Canada's role in a global economy and how we could maintain high wage, high value added jobs with a high level of employment as well. What is the legacy? Not only the deindustrialization and the high levels of permanent unemployment we face but also since 1989 Canada's ability to compete has fallen from fourth to eleventh place in the world.

• (1125)

Since 1984 when this government took office our trade surplus has gone from $19.8 billion down to $7.4 billion. In 1984 we had a $1 billion surplus in high tech trade; today we have a $30 billion deficit in high tech goods and services. What does this say to our young people who want to enter the Canadian work force? Why are we falling behind so quickly on a global basis?

Even worse perhaps is that our manufacturing productivity is now growing under Tory economic policies at only two-thirds the rate of that of our major competitors, the G-7 countries.

Is despair the only thing we can offer close to four million Canadians who want high paying permanent jobs and do not have them? I believe there are some solutions available to us. What we have to tackle immediately is investing in Canada's human resources. We have to deal with the 40 per cent of Canadians who today do not have either the literacy or the mathematical skills to deal with the requirements of modern jobs. We have to deal with an education system that is producing a 30 per cent high school drop-out rate and yet there are no skills training as an alternative for these young people. We have the Mexican challenge where our new potential trade part-

ner is graduating four times as many engineers and scientists as we are in Canada. We have the incredible problem where our level of research and development, 1.37 per cent of our gross domestic product, is less than half that of our major competitors. It is a level that is falling rather than rising.

These are areas where we need the long-term investments by the public and private sector working in close co-operation to recreate the human capital base which is so critical to giving us those high wage, high value added jobs in the future. This has not been done. This issue has not been taken on by our government.

In the short term there is still a great deal that we could be doing as federal politicians in Canada. First of all we have close to one million small businesses in Canada. If only half of those small businesses over the next two years could add one more employee we could get rid of 500,000 unemployed. We know that the biggest problem that these small businesses face is that many of them have not had access to the capital or the bridge financing or the financial means necessary to get through this made-in-Canada recession.

This is why the Liberal Party is proposing new means for helping these small businesses survive and expand.

Second, why is it that Canada exports so much of its raw natural resources, its primary resources, and buys back finished goods from our foreign competitors? This is why we propose the immediate establishment of a primary industry's enhancement council that will work with our primary industry manufacturers in food, forest, sea, mining, energy, whatever, to produce more value added goods here in Canada, more downstream goods. Add the value here. Do not give away our resources holus-bolus to our foreign competitors so they can create jobs with them.

• (1130)

This is why, in order to deal with the decline in our manufacturing productivity, we are calling for the establishment of a manufacturing productivity council which will use private sector consultants to go to our small and medium size manufacturers to show them world class techniques for expanding their productivity and exports.

This is not a give-away program because the manufacturers will repay the government for these studies out of enhanced productivity, enhanced profits and enhanced exports. It would be a self-funding program with no bureaucracy because we are not going to use bureaucrats. We will be using the best private sector knowledge that is available.

This is why we have called on the government to work in close co-operation with the Canadian Manufacturers Association which has initiated a program for Canada called The ISO-9000 Series program. It is a program adopted throughout the European Community in order to bring up the quality standards of European manufacturers. Yet this government has refused to enter into a cooperative joint venture program with the CMA to bring these same quality standards to Canada.

The situation, if allowed to continue, is going to create more and more desperation. There is hope. There are things we can do. Let us adopt a comprehensive economic strategy so that our young people and our unemployed workers can wake up tomorrow with hope.

Hon. Alan Redway (Don Valley East): Mr. Speaker, I was most disturbed with the hon. member's comments about a made-in- Canada recession. He knows, as I know and as Canadians and people around the world know that we are dealing with a global recession.

Last summer in May and June I had the privilege of having a student from the University of Michigan working in my office. I am going to have another one this summer. Last summer's student, Robert Tyson, went back to the States and last October wrote a letter to the Prime Minister and sent me a copy. In it he says:

> I also believe that the criticism your government receives for the poor world economy is unfair. Over here things are just as bad. My own father is one of hundreds to lose his white collar job from a company that has not let workers go in living memory. This occurred despite his 20 years of seniority. My college friends and I have had difficulty finding summer jobs, succeeding only where friends or family members could pull strings for us.
>
> It is humorous to come back to the United States and hear all of the same complaints about the North American free trade agreement but to hear them coming from Americans. I understand that Canadians are

afraid that their jobs will move south to America but Canadians should know that Americans are just as afraid that their jobs will move north.

The hon. member should recognize that the United States has lost more than one million manufacturing jobs since January 1, 1989. He should see Canadians as others see us.

Mr. Peterson: Mr. Speaker, I am a little bit disappointed that the hon. member who in the past has had the courage to recognize the facts and speak them directly to his own government is using anecdotal evidence and not over-all facts and figures to deal with this issue.

If he is correct that Canada is just part of what is happening in the United States, why is it that Canada has lost 15 per cent of its manufacturing jobs over the last four years? The Americans have lost only 7 per cent.

Why is it that the level of unemployment in Canada is officially 11 per cent, probably double that unofficially, and in the United States it is only 7 per cent? Why is it that Canada went into this recession induced by our high interest rate, high dollar policy at least six months before the United States and is coming out of it after the United States?

This is not a normal function of what is happening in Canada in relation to world events. What has happened to us is a made-in-Canada recession, deliberately set by this government.

• (1135)

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I rise to address the House on this motion because I believe that the unemployment created by this government's policies is an issue that we should be discussing as the government is apparently unwilling to deal with the problem. It is a fact that this government's policies have led to plant shutdowns and unemployment. As my party's employment critic I receive newspaper clippings from the Department of Employment and Immigration. A large part of those clippings is stories about layoffs and slow-downs.

We are supposed to be in a recovery. However, someone should tell that to the 112 people laid off recently at Pacific Press in British Columbia, the 415 people who lost their jobs at the Northern Telecom plant in London, or the 2,500 GM workers who are going to be laid off when GM closes its Scarborough plant this spring.

The Conservative government may not like to hear it but Canada has lost 325,000 manufacturing jobs since 1989. We have had double digit unemployment for two consecutive years. The OECD, the Conference Board of Canada and many others are predicting that we will continue to have double digit unemployment through this year and into the next.

Let there be no mistake. We are facing an unemployment crisis in this country the likes of which we have never had to deal with in the past. Officially, there are presently 1.5 million Canadians who cannot find work, but that does not include the hundreds of thousands who have given up looking and have fallen out of the system.

Last year, for example, more than a million Canadians exhausted their UI benefits before they found work. That is a 41 per cent increase over the year before. Last week the Catholic bishops raised the alarm by claiming that the real jobless figure is 3.9 million. This, to me, is a tragedy. We have been urging this Conservative government to focus on putting Canadians back to work but I must say that our appeals have fallen on deaf ears.

The Conservatives are paralysed because the unemployment crisis is a direct result of their policies and in order to solve that crisis they would have to admit that they made a mistake and would have to change course. That is something that they are not willing to do.

What are some of the things the government has done that have led us to this unhealthy situation? First, there was the high interest rate and high dollar policy. This had a number of negative effects on our economy. A prolonged period of high interest rates made it very difficult for smaller companies to find financing and many of them were forced to give up. The combination of a high dollar and high interest rates alone had a disastrous effect on this economy.

The bankruptcy figures tell us a very sad story of this record. In 1992, 14,317 businesses declared bankruptcy

yet the government still talks about an economic recovery. In 1991 the number was 13,496. In all, over 200,000 businesses and individuals have followed a dead-end route to bankruptcy. It still talks about an economic recovery.

How many dreams have been lost in this country? How many lives have been ruined? How many jobs might have been created in the small business sector if this government had created the environment to bring prosperity to Canada? It has denied opportunity to the Canadian people and to Canadian business.

I know that in my riding and throughout Canada businesses have been treated harshly. I have met with people who are confused about what this government was doing. They felt that their entrepreneurial spirit had subsided. Now they are crushed. Hope and ambition have been replaced by despair and embarrassment.

Another policy mistake the Conservatives made was to enter into the free trade agreement without proper safeguards for Canadian interests. We have seen what happened with the absence of subsidies and dumping codes or the absence of adjustment programs. These people opposite are are the same people who said that jobs were going to be created and that prosperity was going to be part of the Canadian fabric. They said: "Yes, there will be some adjustment in our industrial sector but do not worry as we will have adjustment programs to ease the pain that Canadians would feel". Where are they? Where are those programs that have left 45 and 55-year old factory workers out in the cold? Where is the hope for our young people? Where are all those promises that have been made? They will have to live up to that record.

• (1140)

Canadians have been asked time and time again by this government to make sacrifices for the national debt, the economy and for our children and the future. We did. We paid higher taxes. We have fewer services but what kind of thanks did we get in return? We have a high national debt, record bankruptcies and over 400,000 young people unemployed. This is the thanks we got after we played its game and sacrificed our lives for this government.

Let me be very clear that we have honoured our part of the deal. We have said yes, we will accept the higher tax rates provided it can reduce the deficit. We will accept fewer services provided it can reduce the deficit and the national debt. We will pay the price provided it can create the environment for small business to prosper.

What has it done for small business people throughout Canada? It has not gone to the banks and said: "You have not only an economic contract with this government, you are not only a financial institution, but you have a social obligation to bring about change in this country and to give the type of capital that small business people throughout Canada need in order to generate those jobs".

What have these people across the aisle done? They have been silent. They have been too busy playing up to the pressures of interest groups and have forgotten about the individual Canadian out there trying to make a serious go of it and provide a better future for their children and young people throughout Canada. That is what they have done. However, people have caught on that this government has been nothing but a government that responds only to interest group pressures.

It has not created an environment where small business can prosper. It has not given more hope to young people. It has not given hope to the single mother who is compelled to stand in front of the local food bank for a daily meal. It has divorced itself from the responsibility of government. It has abdicated its responsibility to bring about positive change.

The only thing we have to show in this House and across the country is the 1.5 million unemployed Canadians. We have 30 per cent of our high school students dropping out and this government has been silent because that is the Conservative style. The Conservative style of governing is hands off: "Let the market forces dictate what happens and as far as we are concerned we can stand back and watch the people get hurt". That is what it has done and that is, I guess, what it is proud of because I have not seen anything coming from this government since I have been here that has given me, as a young Canadian and as a parent of two children, any hope for the future. That is the Conservative reality of Canada.

I have a very simple message here. If any members on the opposite side are listening, there are people hurting in this country that need your help. There are people out there who have lost hope. I think it is high time that something was done about it. We have paid our part of the deal. We have sacrificed long enough. We have co-operated. Now it is time. We want to see results and

we want to get Canadians back to work and hope back into Canadians' lives.

• (1145)

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I am sure that the House recognizes the tension that my hon. friend feels in view of the very substantial nomination fight that is going on in the Liberal Party in his particular riding. I can understand why he would want to come here and make dying gasps and last-minute speeches in an effort to try to establish some credibility.

I think what the House should hear is some facts instead of histrionics and bombastic speeches and accusations without one shred of evidence that would stand up anywhere. I would suggest to my hon. friend that before he goes out on the campaign trail he must get some facts because that kind of stuff just will not last and take the strain of a campaign such as he is going to face and such as he is already showing the effects of.

I would like to ask my hon. friend this. If we are blaming free trade for everything, as my hon. friend is, how does he account for the fact that since the free trade agreement came into effect our merchandise exports to the United States rose to record levels in 1989 and 1990. They eased back to somewhat less than record levels in 1991 but in 1992 our merchandise exports to the United States were at or near record levels in every month of that year. In the first nine months of 1992 our merchandise trade surplus with the U.S. ran at an annual rate of over $16 billion. That is up 16.6 per cent over the same period in 1991.

My hon. friend will know if he is being honest with himself and with the House that every billion dollars in exports creates or maintains 15,000 jobs. Canada's exports to the United States increased by $31.3 billion in 1989-91 when compared with 1986-88.

I would think that my hon. friend would recognize that the whole world is going through some restructuring. One cannot blame our government for the recession in the United States or in Japan. These folks do nothing but blame. However, one day when it comes to election time they are going to be called on for some ideas of their own. To sit there and simply criticize the government is not going to wash when they get out there in the real world. My hon. friend knows that.

Does my hon. friend not give some credence to the fact that things are changing? For example when General Motors shuts down the Lumina line in Oshawa in the fall of 1993 it will come back a year later having retooled and will produce the same number of cars with 1,400 less employees. That is a fact of life.

My hon. friend, in the histrionics and bombastics of his speech, does not want to acknowledge the facts of life that things are changing. We have to adapt and we have to enter into agreements like the free trade agreement and the NAFTA in order to put ourselves in a position to capitalize on those opportunities. That is what we have done.

I know it has caused a lot of grief in his party and that there are very severe differences between the hon. member for Etobicoke North and the U.S. hater from Winnipeg. I appreciate those differences. However, surely when one comes to the House of Commons and one tries to improve the country as a whole one has to deal with facts and not just the rhetoric that my hon. friend got away with for this length of time. It is not, however, going to wash in the next election campaign.

Mr. Bevilacqua: Mr. Speaker, I like the soft approach and the soft voice of the minister because he really thinks it is going to be a soft sell. The reality is that the minister, when he goes campaigning, will have to answer to the promises that were made in 1984 and 1988.

Let us talk about reality. There are 1.5 million Canadians unemployed and 2.2 million Canadians who live on welfare. Is that something he is proud of? I certainly am not.

• (1150)

Is the minister happy with the fact that he has just sat there while there are small businesses even in his own riding that cannot access financing and he has not done a thing to help them?

The minister can talk all he wants but the reality and facts I have outlined in my speech are facts that he knows about. The government gets off on these great thoughts about how it is preparing the economy for prosperity. What prosperity? If one walks through any major urban

centre one sees people on the street, one sees people who do not have food in a country as rich as Canada.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am very pleased to have an opportunity to debate this motion which condemns the government for its policies that have created such disaster in Canada that so many plants, especially in southern Ontario, have been closed. Even the official unemployment rate is at a disastrous level. It is officially 11 per cent, more or less.

Unofficially, according to the Roman Catholic bishops, 3.9 million people are either unemployed, have given up working or have short-time jobs when they really need, want and have been looking for full-time jobs.

It has also been pointed out that compared to the participation rate of three years ago unemployment now would be 17 per cent for Canada, not just 11 per cent, if it were counted more accurately. That is because of full-time jobs that have been lost with no other jobs in their place.

It is the worst we have had in half a century especially considering that 10 years ago, when it was nearly as bad, only about one-third of the jobs were permanently lost and now at least two-thirds of the jobs are permanently lost.

I want to mention a little bit about the riding I represent of Trinity—Spadina. Within weeks of the free trade agreement coming into effect in the beginning of 1989 the Inglis plant, which employed 600 workers, announced that it was closing. For decades it had been making washing machines. Half the washing machines in the Canadian market came out of that plant. It had a good, trained and responsible work force.

Admittedly the company from the United States that then owned it had not updated the machinery but it was still producing for half of the Canadian market. The workers were laid off within the year with no possibility of any kind of replacement in that sort of washing machine employment for them.

I want to speak about the garment industry. It has been blasted by the free trade agreement. Employers and owners of businesses have told me that when they go to the bank to get a loan for an expansion or to get over a short difficult period, people who have been in the business for years, leaders in the market, and leaders in style are told by the banks: Not for the garment industry. They know what the free trade agreement has done to the garment industry in Toronto.

Ms. Mitchell: And B.C.

Mr. Heap: And in British Columbia and I expect also in Winnipeg.

Many of these employers opposed the free trade agreement and explained to the government the damage it would cause. The government ignored them and now some of them have closed. Those that have not closed are mainly import houses importing from China and Taiwan which have cheap labour.

They are negotiating with Mexico which has cheaper labour than anyone in Asia. It has cheaper labour not only than Japan but than Korea, China, Singapore and so on. They are negotiating with Mexico. One of them has kept about 15 out of 100 employees. He laid off 85. He has 15 just to handle the warehousing and maybe some very short make-up orders.

The printing industry has also been hit, as has the data processing industry which is a very important service industry in downtown Toronto.

• (1155)

The government has simply ignored what is happening. It has done nothing to pick these people up. I want to quote the comments on this from the Canadian Conference of Catholic Bishops. Its base principle, as quoted from the gospels, is Jesus Christ saying:

> Just as you did it to one of the least of these brothers and sisters of mine, you did it to me.

In other words, its bottom-line approach for the economy is that it has to look after the poorest. If we look after the poorest, the rich will not suffer.

The bishops spell that out further in a statement well known as the preferential option for the poor. They say:

> a) that the needs of the poor have priority over the wants of the rich; b) that the rights of workers are more important than the maximization of profits; and c) that the participation of marginalized groups takes precedence over the preservation of a system that excludes them.

In other words, they are saying that if we look after the poor the rest will do well enough. Particularly, we should look after the ones who are being excluded from the system, such as the women who have been forced out of

their factory jobs into home work jobs for what amounts to about $2 an hour.

Out of this $2 an hour these women must pay for their sewing machine, heat and light, and the rent of their home in which they do the work. They have to pay what the factory owner used to pay. On top of that it comes out of maybe $2 or $4 an hour when we add up the hours they work, sometimes illegally helped by their children. This is what has happened to some of the marginalized people in Trinity—Spadina, especially the immigrant women.

This is what is condemned by the Roman Catholic Church. It is not speaking only out of compassion. The Roman Catholic bishops are not just bleeding hearts. They are saying, as my colleague from Essex—Windsor said, that if two million, three million or four million Canadian workers are not allowed to work they still have to eat and their families still must have homes.

The country is losing money and going into deficit no matter how much this government may lower the taxes on the rich, no matter how much this government may rig its figures. It is the forced unemployment in this country that is causing disaster.

The Roman Catholic bishops point out on page 7:

> Despite protests to the contrary, governments are simply waiting for a surge in Gross National Product to restore lost jobs and create new ones—this despite the evidence that new economic growth, as measured by GNP, will be only loosely related to job creation.

After saying that the market has failed the bishops say:

> It is Pope John Paul's ardent hope that individuals and communities—including the poorest—will have the political power and will necessary for freely determining and shaping the framework within which the market works, so it can be in harmony with their own cultural and moral values, even at the international level.

The government has to reverse or be reversed.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I think the remarks my colleague put on the record are tremendously important. They show the ethical and moral reasons that the North American free trade agreement must be defeated.

I would like to comment on his remarks in which he said that the free trade agreement has had a tremendous impact on many of the industries where women are working at very low wages, and more often than not they are immigrant women. The situation he describes in Spadina is very similar to that in my own riding of Vancouver East where the free trade agreement has largely been responsible for the fact that fish processing plants have been closing. Some of them have moved south of the border. One of the Liberal members mentioned earlier how we must have value added to our products. The trade deal certainly has been prohibiting that in many industries. The export of raw logs is another one.

• (1200)

I agree with the hon. member completely that in the garment industry it is a particular tragedy. Not only do we have plants closing and jobs going and many of the plants leaving the country, but we have this move to home industries. They do not have the standards of work that women predominantly should have. They are really including the cost of all the overhead and having to pay it out of very minimum wages.

I would like him to comment further on that and to explain why the NAFTA agreement will add to this tragedy.

Mr. Heap: Mr. Speaker, I thank my colleague for the question because in 10 minutes it was not possible to put everything forward.

The free trade agreement which, as I said, was opposed by the leaders of the garment industry and the majority of the manufacturers in the garment industry in Toronto and I believe in the rest of Canada, has resulted in such changes in the import duties that foreign manufacturers and particularly American manufacturers are able to flood the Canadian market.

Along with the free trade agreement was the high interest rate policy chosen and enforced for two or three years by the government through the Bank of Canada, which is a creature of the government and the Parliament of Canada. The manufacturers told me they could not sell in the United States. Even though tariffs going into the United States were lowered, the difference in the Canadian dollar brought about by the enforced high interest rate meant that they were priced out of the American market. We were supposed to get access to it, but the two policies of this government, the free trade agreement and the high interest rates, blocked them.

Even though the interest rates have gone down, some of those manufacturers are not there. When we go down Spadina Avenue we see property for sale and for rent where there used to be hundreds and hundreds of people working in the factories.

The NAFTA will also hit the remaining industries because it will mean that we will be penalized for bringing in cloth, yarn or thread from outside North America. There are many varieties of good cloth to be had from Europe and from some parts of Asia, but the North American free trade agreement will penalize Canadian manufacturers by hindering their access to the American market if they use cloth not made in Canada, the United States or Mexico.

That particularly hits cotton. It is admitted we do not grow cotton in Canada. They do in Alabama, the southern states and Mexico. Canada will be penalized if we have to buy cotton from those places, manufacture it in Canada and try to sell it back into the American market which the government claims it opened for us. We will be penalized more if we try to buy it outside North America.

It is quite possible the whole garment industry in Canada may be doomed by the foolishness of the government.

Mr. Gardiner: Mr. Speaker, a point of order. I do not know if my colleague from Trinity—Spadina mentioned to you that we were going to split his time in two 10-minute portions. I would like to take my time now if I could.

The Acting Speaker (Mr. Paproski): That is no problem. Questions and comments are now terminated.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I am pleased to have an opportunity, short as it is, to say a few words today on the motion presented by my colleague from Essex—Windsor. His motion was essentially on the state of the economy on the eve of the budget, which will be presented by the Minister of Finance on Monday afternoon.

• (1205)

I would like to take this opportunity to say a few words about the general state of affairs of the economy in the country. I would also like to draw some conclusions and comment about the general national state and mention a few situations that I think bear some relevance in my riding to the debate we are having today.

There is no question that the time is quickly coming for this government and all Canadians to take a strong look at the choices that are available to address the problems facing our economy. It is important to get the message across that there are choices. They may not be the choices this government has made nor the choices of other critics of this government, but there are real choices and real positive solutions to some of the problems we face in this country today.

I do not think anyone, particularly on the government side, should reject or hide from the fact that we are in a very difficult economic situation. Unemployment in March rose to 11 per cent from 10.8 per cent in the previous month.

Amazingly there are some 1.5 million people in Canada looking for work. Our unemployment rate last year was the highest of all the G-7 countries. My leader, the member for Yukon, has mentioned in her questions to the finance minister that in addition to the unemployed we have the problem of the underemployed. That is often not addressed or dealt with in this House and I think it is important that it be raised, as does the leader of the New Democratic Party.

We have also seen the explosion of the welfare rolls all across the country. The point made by our leader in the House has been in response to the government challenging the opposition to offer alternatives. When we have been presented with that challenge we have offered alternatives.

Alternatives were presented by our party in the extensive debate we had on the goods and services tax in this House. We were the only party to do that. We met that challenge and I suggest that we bested the government in terms of what we said could be done.

With regard to the welfare rolls, a question has been put to the finance minister and he has not answered it. He asked where the money will come from to do the wonderful things proposed by members of the opposition. We have told him where the money would come from but the question is rightfully put to the Minister of Finance: Where will he get the money to pay for the ever-increasing welfare rolls?

In Prince George, the major community in my riding, I took the time to look at this situation. If we are going to address these problems we have to know what we are dealing with. In Prince George alone there are some 5,000 people on social assistance. A number of those people are not able to work and will likely never work. In our country where we measure our value by how well we take care of those who are less well off—my colleague from Trinity—Spadina said that better than I did—we clearly have to continue to help those people.

Government has to initiate projects for training but the private sector also has a responsibility. It is not often mentioned in this House because our natural inclination as members of Parliament is to look at the role of government. There is a role and a responsibility for the private sector as well. On matters of research and development and innovation we have some winners in this country, but it is also clear that the private sector has failed Canada in a number of areas as well.

• (1210)

There are reasons for that, such as the branch plant economy we have in Canada and the seemingly endless reliance on being the hewers of wood and drawers of water. We must take advantage of existing legislation and programs to ensure that we do get an opportunity to add value to those wood products in particular—I am interested in that for my riding—and other similar areas. We do have some tools at hand that we can use.

I realize that I only have a few minutes left but one particular example sums this up. In my riding of Prince George—Bulkley Valley I have met with the workers at the Kelly Douglas & Co. warehouse and corresponded with the company owners. This warehouse has been in operation for many years in Prince George. It closed virtually overnight and some 65 people were laid off. A number of them had done nothing else in their lives. They had worked full time in that particular warehouse at good pay but now they were unemployed. The workers have said that the local management was treated as poorly as they had been treated. So what do we do? What does the union do? What does the company do?

This is the classic situation of a good leadership role being played by the union and a poorer role being played by the company. There are also some serious questions about what to do in our economy.

In this particular case the union has taken a leadership role by working with its members who used to work at this warehouse. It contacted the Canada Employment Centre and is now working with these people—some have done no other work in their lives—to prepare them and help them look for other work. I visited the classroom where they are being trained to prepare résumés and introduced to computers. One person said: "Well, this is fine. I appreciate being involved in this class, but why are the taxpayers paying for this?" I thought he had a good question there. He suggested that the employer should be paying more attention to these workers now that they have been laid off. The union is challenging what this particular company is doing as well through a grievance procedure.

This is the classic situation of the seemingly uncaring employer, but it is also a unique situation because the union has gone far beyond its traditional role and is working to serve its members. There is an increasing concentration of business in larger and larger centres where communities like the ones I represent have fewer and fewer services.

After raising those challenges from that very specific example I now come to some positive solutions and suggestions and, most important, some choices. I want to impress on anyone who is watching this debate, earnestly concerned about the state of our country's finances and eagerly waiting to see what the Finance Minister does with his budget on Monday, that there are some choices. The New Democrats and in particular our leader have made some effort to develop our strategy for a full employment economy. We have met the challenge of presenting alternatives. This is a reasonable plan. It has been given the rubber stamp of approval from independent financial consultants. It can be done. There is a different way of running the economy rather than this government's approach. There are positive solutions that give people meaningful jobs and the opportunity to present and participate in economic planning.

I encourage anyone who is interested in that debate to please write to us. We will send them a copy of it. Then they can certainly get a chance to see what the alternative is and what the challenges and choices are.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, we are discussing a very important topic today, the economy. In my neck of the woods, forestry is a major part of the economy and we have been hit quite hard. I know the hon. member representing his party has the responsibility of following the forestry sector for his party. I know he is quite knowledgeable in that area.

• (1215)

I would like to mention to the House that in my area of Restigouche—Chaleur there is a mill in Atholville, New Brunswick that has been closed. We have another mill in Dalhousie that has been closed 50 per cent. Two of its four machines have been closed down. I have been quite concerned about the policies of this government with regard to high interest rates, the high dollar and its effect on industry and more specifically on the forestry industry. I have also been concerned about other policies.

I wonder if the hon. member would care to comment about the policies of this government with regard to the forestry industry.

Mr. Gardiner: Mr. Speaker, I appreciate the question from the member. We have sat on a number of committees and discussed the concerns of the forestry sector in the country.

He is quite right when he mentions a range of problems and issues facing the forestry sector. We know the challenges faced by all governments and in particular provincial governments that are faced with the day-to-day management of the allocation of the forest resource to companies. There is a clear challenge there on the question of set-asides and meeting the goals of the Brundtland commission for 12 per cent. That difficult challenge is particular to my own province of British Columbia and is a very important one. It is important to mention on this Earth Day that it is a very difficult time for most provincial governments.

With regard to the high dollar and in particular trade policy, I would just like to comment on two things. The general approach to the high interest rates and the high dollar has been very difficult and has hurt all components of our forestry sector, particularly as it relates to our exports to the United States.

Of course I must mention the softwood lumber tariff dispute that we have had with the United States. We anticipate a ruling next week from GATT that is discussing the whole subsidy question. This whole issue of the current tariff and what is to be expected is before a couple of panels now and is hanging over the forestry sector. The U.S. lumber lobby has already said that if it loses at any one of these panels it will be launching an extraordinary challenge to the decision, so the whole dispute over softwood lumber is nowhere near finished yet.

One of the problems in eastern Canada is the age of our mills and particularly a lot of the pulp mills. The owners are having difficulty making those very big money decisions about reinvestment into those mills. There is upgrading necessary to improve the water treatment systems of those mills. As one of the most important sectors in Canada there is a great deal more to do.

I am wondering, on the eve of the budget, if we are going to see a forestry minister continue in this House. There has been some debate in the government about doing away with the minister. It would be ironic since one of the first pieces of legislation my colleague and I worked on when we arrived in Parliament was the creation of that department. If one of the last actions of this government was to do away with that department in such an important sector I do not think most Canadians would appreciate it.

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, I appreciate the opportunity to join in today's debate concerning the state of the Canadian economy.

I would like to respond to a few of the comments made by previous speakers. I think we should not allow all of them to go unchallenged, especially when they may have left an inappropriate or incorrect impression.

• (1220)

It is fair to say that every member of this House would prefer an economy that was stronger with more employment, more jobs and higher incomes. Of course, that would benefit not just the people with those jobs, it would also benefit governments. It would benefit governments because people with jobs earn income and pay taxes. Fewer of them would be drawing on the govern-

ment's social programs, such as unemployment insurance or welfare. Governments would be receiving revenues. That would make life a lot easier for them in trying to control the deficit which all levels of government are now having a great amount of difficulty in doing. We would like to have the revenues from those higher taxes both from individuals and from corporations with profits.

It is fair to say that all of us would be interested in having a stronger economy. The real question is as to what degree can government action produce that stronger economy.

Unfortunately what has happened in the last few years is that we have become unable to be insulated from events in the rest of the world. It used to be, probably since the end of the Second World War until the mid-1970s, that as a country we were able to set ourselves aside and avoid a lot of the economic factors which had great influence, at many times negative, in other parts of the world. In part, that was because we had a lot of natural resources on which we could rely and we were able to determine our own force and set our own agenda. We had high income and high value from those resources. For example, that is why we were able to insulate ourselves in many ways from the oil price shock of the early 1970s. We did not have to endure what many European countries or Japan had to endure, for example the high prices of energy which harmed or had a great impact on their economies.

The fact of the matter is in today's world we no longer have that insulation. Today's world is a multinational trading world. Goods and services trade throughout the world. Modern communications and computers have meant that manufacturing jobs can be shifted to what used to be Third World countries. Those countries now compete with us for jobs that we used to consider as our own and natural to Canada. The fact is that we no longer have the luxury of saying that in Canada we will set our own course regardless of what the rest of the world does.

One of the comments made earlier in the debate concerned interest rates and the high dollar. One of the things that causes the dollar to be stronger or higher against other currencies is borrowing money in foreign currencies and bringing it to Canada. The prime borrowers in foreign currencies and foreign markets are governments or government agencies.

It is not the federal government that has resorted to that. It is provincial governments such as the Government of Ontario. The Government of Ontario, and add to that Ontario Hydro, its Crown-owned agency producing electric power in that province, is probably the most substantive borrower of funds outside of Canada. The current NDP government is continuing the practice that was established by other governments at an even higher rate than ever before. When those governments borrow in foreign currencies, naturally those currencies are converted into Canadian currency when they are going to pay for goods and services in Canada. That increases the value of our dollar which is something that has been complained about by the opposition.

When governments borrow money either domestically or from foreigners, that borrowing puts pressure on the amount of capital available for investment and for other purposes which raises interest rates. When we have complaints from the opposition members about the level of interest rates or about the level of the dollar, I encourage them to look at what is behind these figures and what is causing it. To the extent that government is responsible, it is government spending and government deficits. The people of Canada have become increasingly concerned about those deficits. I think and I hope that in his budget next week the Minister of Finance will present once again an updated and credible plan to deal with that.

• (1225)

Earlier a member of the Liberal Party suggested that we have paid for many of these difficulties and we are continuing to pay. Unfortunately, that is true. Unfortunately over a period of time, for 10 or 15 years, as governments, and I will restrict this to the federal government for the moment, we increased our expenditures at 10 per cent to 15 per cent per year for 15 years. That went on until about 1984. It built a debt in this country of something in the order of $200 billion. For the period of 1975 to 1985 the debt increased 10 times what it had been.

Since then the current government has tried to control that spending. We have kept spending below the rate of inflation, in the neighbourhood of 3 per cent to 4 per cent per year average over that time. We have tried to control the deficit. There have been increases in taxes, there is no question about that. In spite of that, the interest on the debt that was there in 1984 has continued to accumulate and that has brought the current debt in this period to approximately $400 billion. It has almost doubled. That has happened simply because we have seen interest on that existing debt.

It is a rule of thumb when investment counsellors are talking to people, counselling them on saving money and saving for their future that if money is put away, if money is invested and saved today, that roughly in seven years that money will double. Unfortunately from the other point of view, if there is a debt today which is not paid, in seven years that debt will be approximately double. That is what has happened over the last period of time. It is not because this current government has gone on a spending spree and spent more money.

We have found ways to provide the programs we felt most necessary through restructuring and eliminating some of the programs and some of the spending that we felt we could do without. On every single occasion we did that, we were opposed by the opposition parties.

I can mention one example. We started with a post office that had a deficit of $600 million a year. It was costing Canadian taxpayers $600 million a year. That post office is currently either making a small profit or breaking even. We have turned it around from a loss of $600 million a year to roughly a break-even or small profit situation. Why has that happened? It has happened for a couple reasons. It has happened because in that business we have adopted new technology, new methods of service to people. We have changed the strategy and the focus and we have brought it into the modern age.

Unfortunately in Canada some people seem to suggest that we can continue to maintain industries in the face of international competition, in the face of changing technologies and in the face of new products and services that have come to replace some of the ways we used to do things. We cannot remain locked in the past. I think everyone understands that. I think even everyone who worked in the factories that were talked about earlier where those factories have for one reason or another closed would agree that in part it is because we have not found new technology or invested in new technology in those areas to make ourselves competitive with the rest of the world. As I said earlier, we no longer have the luxury of being non-competitive.

We had some good comments earlier by the hon. member for Willowdale when he talked about the need for investment in technology and for investment in research and development. There is no question about that. We all understand that. The question is that in order to make that, we have to free up that investment for research and development, for investment in new technology that will make our workers and business more productive. We must not crowd that investment out by continuing to increase government spending and government borrowing on current consumption. That is very difficult because we have a lot of demand for the services of government.

• (1230)

We can see the difficulty in provincial governments. There were comments a moment ago from members of the New Democratic Party. However we have a New Democratic government in Ontario. Ontario is 43 per cent of the Canadian economy. If the methods being suggested here today by the New Democratic Party were successful and worked, it should have the strongest economy. We should have a booming economy right now.

We know that the Rae government tried those in the first two years it was in office. It was a disaster and it has admitted now that it was on the wrong course. The treasurer, Mr. Laughren, and the premier, Mr. Rae, have been saying in recent days that they are going to have to change course, adopt a different fiscal plan, reduce their spending and reduce their deficit because they can no longer continue on the path on which they have put themselves.

They have recognized it. The NDP have recognized the folly of the kind of thinking they continue to perpetuate in this House. They have recognized it in Ontario because they ran up against the wall. They ran up against people saying: "No, we are not going to lend more money. If you want to borrow you are going to have

to pay either excessive interest rates or we are not going to lend it to you at all". That reality has brought the fact home to the NDP government in Ontario that it is going to have to adopt a different strategy. What strategy is it adopting? It is adopting a strategy that this government has been conducting for several years.

One can say that we are not particularly happy with the level of unemployment or the state of the economy. I can say that I am not happy. But the question we have to ask is: If we had not adopted the policies that we have been pursuing over the last few years, where would we be?

For example, there was talk earlier about trade. Trade is the life-blood of this country. We depend on trade for about one-third of our income. We have to do everything we can to remain competitive so that we can continue to trade in the world and compete against goods and services from the rest of the world and increase our exports.

In 1992 exports reached a record high level of $157 billion. That was 11 per cent above 1991. Exports to the United States reached a record high level of $122 billion. That was $19 billion more than in 1988. That is under the free trade agreement. Under the free trade agreement we have increased exports by $20 billion, about 20 per cent since 1988, to the United States. There has been an increase of 10 per cent from 1991 in the over-all exports to the world. Our exports to Japan for example increased from 1984 to 1992 by over 40 per cent, to a record level of $16 billion. Why is that? It is because we have been pursuing trade opportunities such as the free trade agreement. It is also because we have been removing impediments regarding Canadian businesses and their ability to trade.

Someone mentioned the GST briefly in this debate. That was one of the most difficult policies for this government and for members like myself who supported that policy to go out into the country, to tell people, to explain to people why we had to make this change. We told people why we had to eliminate a federal sales tax that was hidden and buried in the cost of our products, that was crippling our manufacturers' ability to produce products and trade in the world or to compete against imports. We told them why we had to eliminate that tax and instead replace it with a new tax called the GST. We had the courage to do that.

We heard earlier about the Canadian Manufacturers' Association. Somehow it was suggested that we are not supporting some initiative of the Canadian Manufacturers' Association. There was no stronger supporter of the GST than the Canadian Manufacturers' Association. We supported that, we eliminated the federal sales tax, we put in a new tax called the GST and this was very difficult politically. No one knows better than I.

• (1235)

I had town hall meetings in my riding. Many, many people came to those meetings. In many cases they were very angry people. They were opposed to the government doing this. They argued instead that we should be cutting government spending by that amount.

However, cutting spending by that amount would have required us to be cutting payments for example to senior citizens and others. We said no, we will have to replace this tax with another tax called the GST and we did it. We did it in spite of that political difficulty because we had the courage to do it.

What has happened? Our exporters have become more competitive. We see that in the numbers we are showing.

People talked about high interest rates. High interest rates are driven by inflation and government spending. We have been keeping government spending under control, not as well as we would have liked, but that has not been the problem.

It is revenue that has fallen short because of the weakness in the domestic and world economies. The Canadian economy has not been as strong as we would have hoped. Therefore government revenues are approximately $10 billion a year less than what we were expecting. This has put enormous pressure on us.

However, the policies we have pursued, such as the elimination of the federal sales tax to replace it with the GST and the introduction of the free trade agreements and others, have put us in a position where currently we are one of the stronger economies in the world. We should recognize that.

It is not a situation where we are totally insulated or when we can simply say that in Canada we will have our economy and we will ignore what is going on in the rest of the world.

In terms of the G–7 nations, Canada is expected to lead the world. The OECD says that among its larger members Canada has made the greatest progress in recent years in reducing its structural deficit.

Without the government's actions to control its spending, the deficit would have reached $82 billion by 1991–92, which is close to two and one half times the actual level. The debt would have reached $645 billion.

In spite of the fact that we have not made the progress that we would have liked, certainly that I would have liked, we have made some of the greatest progress in recent years in the OECD, the 24 industrial nations of the world.

In terms of the future world economy, the OECD forecast in its most recent global outlook that Canada will be the leader among the world's seven largest economies in 1993–94.

If all our policies were wrong and if all the things that we did in the last seven or eight years were incorrect, why would our competitors, the OECD and our Canadian forecasters such as the Royal Bank last week and the C.D. Howe Institute and others be saying that Canada is now expected to be one of the world's leading economies in the next few years?

The reason for that is because we had the courage to do the things that needed to be done. Everybody understood that these things were difficult. Everybody understood that it is difficult for a government to say no, we are not going to continue to spend money like $600 million a year subsidizing the post office or $600 million a year subsidizing VIA Rail when nobody takes that service.

We made those difficult decisions. They were decisions at the time that were difficult for me because I had to defend them among my constituents. Having made them, we have now reached a point where we have the lowest inflation in 30 years.

Inflation is virtually non–existent. We have the lowest interest rates seen in probably 30 years. We have interest rates and mortgage rates that have been unheard of. One can get a mortgage now for under 6 per cent. One has to go back to 1962 to find a time when one could get a mortgage for under 6 per cent.

These are the policies that were long–term policies. They were policies that put in place an environment and a structure in Canada through which we could look to long–term growth. They are not policies where we simply borrow more money and spend it today.

Yes, we might be able to borrow some money and spend it. It might create a few jobs. However, tomorrow when we try to pay that money back, just like we have the problem now in paying for the borrowing we already made, we will have a weakened economy. It weakens our ability as a government to respond to problems.

• (1240)

I will end now. I look forward to the questions that may come to me. I think we have put in place the policies that will secure our future. What we need now is to continue them and not to change them.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I was intrigued by the mental gymnastics of the member opposite and the suggestion that perhaps what the rest of the country is witnessing is a misperception of some great economic strategy that is being actually foisted upon us for our benefit.

There was the question of the benefit that Canadians are receiving for some of the very courageous decisions that the government made over the course of the last nine years. I wonder if this would include the fact that the government has had the temerity to visit upon us over the course of the last two years the following number of bankruptcies: 11,180 in 1990, 12,952 in 1991 and 13,851 in 1992. This is all for a relative value of $2.8 billion, $4.9 billion and $5.5 billion. This is a real good economic strategy.

He said: "We had to make some real tough decisions in terms of taxation. We brought in taxation because we wanted to decrease the deficit and reduce the debt". However, he acknowledged that the debt has gone up to in excess of $400 billion, over 100 per cent since the Tories took office. The deficit has not been measurably decreased even though personal income taxes have gone up by over 74 per cent over the course of the last eight years.

Mr. Heap: Except for the rich.

Mr. Volpe: That is right. Except for those who can afford to pay it.

He has also ignored the fact that part of the economic package has seen for example that the trade balance in this country upon which a great portion of our wealth depends has gone from a positive value of $19.8 billion

in 1984 when these great sages of economic planning came in to a bare $9.4 billion last year.

When we take a look at the current account balance the difference is much more seriously negative. In fact the current account balance went from a positive value of $3.457 billion in 1984 to a net deficit of $28.563 billion last year.

I want to know what the courageous decisions actually are that this government made. The hon. member talks about the GST but that did not require great courage. It required great stupidity. This is only if we believe the figures that the government gives us. It will have to require a great leap of faith on our part, given the record. If we take a look at the figures the government gives us on the GST it says we had a net return of roughly $.5 billion last year. That compares with the $18.5 billion MST that it was getting before the GST was brought in.

The other figures that the government gave us is that it collected $30 billion and gave back roughly $14.5 billion. Of that $30 billion, $9 billion was collected on imports. There is an increase of over 100 per cent in the GST or sales tax revenue on imports and $20 billion on domestic items with over half of it given back in rebates and refunds.

What it tells us is that either the government does not have a grasp of the impact of its taxation and it has driven the economy underground or it has taxed the economy into non-existence, as witnessed by the large rate of bankruptcies and the volume in both numbers and dollars of the value of those bankruptcies.

Because we are all reasonable men and women in this House, could we please, through you, Mr. Speaker, get an explanation from the member opposite of where this courage is to be manifested and where the benefits of that courage can be seen for those of us Canadians who witnessed a 75 per cent increase in income taxes and a whole array of other tax increases? My colleagues tell me that there were in excess of 35 tax increases during its administration. Would he be so good as to explain to those of us who are paying for the tune just what kind of music we should be listening to?

• (1245)

Mr. Dorin: Mr. Speaker, it is interesting that we have a member from the Liberal Party speaking about taxes and spending when in fact he suggested that we have a debt that is now approximately twice what it was eight years ago. I acknowledged that earlier. The fact of the matter is that in the previous eight years the Liberal government took the debt and increased it by 10 times. Not only that, let us take a look at where that debt was in 1984. All of the debt that has accumulated since that time is interest on that debt that we inherited.

Over the period of time between then and now we have successfully run this government in the black. We have also been able to pay some money toward that debt that we inherited. We are now in a position, having established a government that runs in the black, to say: "Can we attack that debt and that deficit". This is because, as we know, the longer it goes unpaid, the more the interest accumulates and the bigger the amount we have to pay. That is what we are talking about doing and that is what the Minister of Finance will talk about doing in his budget next week. I think all Canadians recognize that.

I think all Canadians recognize that we can no longer continue on the path that we were put on by the Liberal government. They recognize that we have turned that around. They recognize that we are paying our way as we go now and that we have to now attack the debt that they left us before it accumulates even more interest, which accumulates every single day.

That member should be apologizing for putting this country in that position. It has taken us this long and all this pain and difficulty to get back to a point now where we find ourselves among the countries, as was just mentioned earlier, that can look forward to the highest growth, the strongest economy and the most employment growth among the G-7 countries.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I listened carefully to the hon. member during his remarks and I noticed that at one point he attributed the problems of Canadian exports to the fact that some of our industries have been allowed to fall behind in the development of their productivity.

Had the member been here earlier perhaps he would have heard my colleague, the hon. member for Essex—Windsor, point out that the GM foundry plant in

St. Catharines is rated the most efficient foundry plant on the continent and that its wage level is $9 an hour below the equivalent foundry plant wage levels in the United States.

How can the member account for the shutting down now by GM of that foundry plant on the basis of a lack of efficiency and how can he argue that it is not on the basis of the free trade agreement?

Mr. Dorin: Mr. Speaker, I have to confess to not being particularly familiar with the foundry plant in St. Catharines. However, I would say that if it is as efficient as the member suggests, if it is as competitive as the member suggests then I am sure that there is somebody out there who would be more than interested in acquiring this plant and operating it because it sounds to me like it would be very profitable.

It is very unusual for companies or owners of plants to close them down when they are profitable. I would like to hear from the member, if he has an opportunity to tell me, if this is a profitable plant. If it is then I can probably find a buyer.

• (1250)

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, it is my intent to share my time today with one of my colleagues. We rise to speak on this opposition motion that this House condemn the government for policies that have decimated the economy and forced company closures, resulting in job losses for Canadian workers. I want to stress the decimation that has occurred in our resource sector in related industries under this administration.

Canada has been identified by the United Nations as the best country in the world in which to live and yet in the last nine years under this administration we have seen our national debt increase to more than $450 billion. Our current account deficit at the end of the last fiscal year was $28.5 billion and the budget deficit is out of control. Unemployment is at an all-time high with 1.5 million Canadians unemployed.

What is even more serious as far as I am concerned is that our resources are being depleted by interests outside Canada. If we were in any other business these depleted inventories would have to be deducted from the value of the business or company. This government gives no such accounting of the depletion of Canada's resources and I suggest such an accounting is urgently required as we note what is happening here in Canada.

This government is more interested in its image in other countries than it is in the well-being of the Canadian people and the Canadian economy. As we examine the resource industry in Canada, we are blessed with tremendous resources but we note that the Atlantic fisheries industry has been decimated due to overfishing by foreign interests. Only after the stocks have been depleted by the factory trawler ships has the government decided to take a hard line and force realistic cutbacks. In the meantime, thousands upon thousands of Canadians have been forced out of the industry and are now on unemployment and social assistance.

We have witnessed the hardships in the forestry industry that is only now beginning to recover. Harvesting methods such as clear-cutting are environmental disasters but are practised in the name of efficiency.

The Canadian food industry is being traded away by an uncaring government and its incompetent negotiators who have utterly failed to realize the impact across rural Canada. This impact has created untold hardships on thousands of Canadian producers in the agricultural industry in the towns and villages across this nation who provide the services to the primary producers.

I submit to this House of Commons, to this highest court of the land that we as Canadians must establish rules to control our resources, the processing of these resources and the environment. Otherwise this plundering by the transnational companies that have no loyalties to this nation will destroy our resource base, our industry and our standard of living that has been the envy of other nations. We as Canadians must put a stop to this madness immediately. We must put an end to the current trend of governing by corporate decision and above all we must take back control of this country. In the next six months Canadians will have the opportunity to make that decision and I am confident they will respond with the future of Canada first and foremost in their minds.

Let me just put on the record again in this House the number of food processing plants that have been closed or forced out of business since January 1989 when the Canada-U.S. Free Trade Agreement came into effect. There have been 107 plant closings or major lay-offs. This government is obviously going to force the NAFTA legislation through the House, regardless of the lack of support by the Canadian people and regardless of

whether or not it is going to pass the United States Congress. This government is going to sacrifice our Canadian workers, our environmental standards, our food quality and our resources in return for access to a foreign market for telecommunications, banking and financial institutions.

Let me give just a few of the facts and figures on the increases of vegetable imports into Canada between 1990 and 1992. Canned tomatoes increased by 85 per cent; tomato paste, 33 per cent; canned tomatoes, 191 per cent; canned peas, 250 per cent; baby carrots, 2,400 per cent; carrots and peas mixed, 2,900 per cent; canned beets, 87 per cent and tomato sauces, 873 per cent, an increase from 3,515 tonnes to 30,699 tonnes. The trade tribunal did not see any damage to our economy. This is nonsense. One company that discontinued canning tomatoes, peas and pumpkins is now importing large quantities of canned products from the U.S. and only the labelling is done in Canada. This company will be importing up to 92,000 cartons of processed pumpkin alone by the end of June 1993.

• (1255)

All these vegetables were previously grown in Canada and provided income for Canadian farmers, service industries and workers. Now they are being grown in another country where input costs and wages are lower.

We appear to have lost a market for our Canadian corn to be processed into breakfast foods. We have seen the meat packing plants, the flour mills and the pickle plants close. The list goes on and on.

We are told we must be globally competitive but as I have previously stated in this House, the global competition is a few huge transnational corporations whose loyalties are bottom line profits to uncaring shareholders in other countries.

Let me put on the record the devastation that has occurred. I want to cite an example from a news article written by Hugh Zimmer of Otterville, Ontario, a recognized writer and researcher. He points out that everyone ignores the Mexican labour issue. The regulations are ignored. The underground economy is estimated at 25 per cent of the labour force. The plan is similar to cheaper Portugal being used to lure jobs away from areas of Europe with higher wages.

How can any government in Canada with any conscience be part of such an arrangement that will undermine our structures and our standard of living, unless it is acting on behalf of these corporations that have no loyalties to this nation?

Mexican labour rates decreased dramatically from 1979 to 1989. We know their environmental standards do not measure up to ours. We know their food processing standards do not measure up to ours. The use of pesticides, herbicides and other chemicals used in food production and processing is not as stringent as in Canada. My research shows that of 48 chemicals used in food production and processing in Mexico, 12 are banned in Canada.

Before going into a trade agreement with any nation or nations, these nations should either measure up to our standards or, under article III of the GATT, their products should not be allowed access to our markets. To do otherwise is a betrayal of trust to Canadian businesses, Canadian workers and Canadian consumers whose health could well be impacted on by these lower standards.

Canadian agriculture and food production simply cannot survive with such declining returns and the increased input costs we have in Canada versus those of other nations.

As food production and processing on this planet falls under the control of fewer and fewer corporations, we see the government members acting like a herd of lemmings heading for self-destruction. They lack the courage and backbone to place Canadian interests first.

Our workers are responsible, our environmental standards are reasonable, but they are being sacrificed in the name of global competitiveness based on lower standards in other countries.

I ask the Minister of Finance when he presents his budget next Monday to include measures to ensure that Canada's resource industries will be put back under the control of Canadian interests. Measures must be taken to ensure the long-term prosperity of this nation and put a stop to the plundering that will eventually destroy Canada.

I want to put on record one of the things I recently saw. In Benchmark, Ontario a cash crop farm with 80 per cent equity and a net cash income of $47,000 in 1987, government payments of $25,251 over the next five years, decreased by 30 per cent. Expenses increased by $12,000. In 1987 returns from the operation exceeded operating expenses by $22,000. In 1992 this situation reversed and operating expenses exceeded market returns by $8,000.

This situation cannot be allowed to continue. The same situation exists in Saskatchewan and other provinces across Canada. I submit that we as Canadians have to take control of our economy, our natural resources and our food processing. We must maintain our health and environmental standards and, above all, the standards that apply to our workers.

The Acting Speaker (Mr. Paproski): The hon. member's time has expired but we will still have five minutes questions or comments when we come back on debate.

It being one o'clock p.m. I do now leave the Chair until two o'clock p.m., pursuant to Standing Order 24(2).

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

FISHERIES

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Minister of Fisheries and Oceans is leaving fishermen in Nova Scotia on the hook. For literally months the minister has been promising there would be a federal compensation package to support communities in eastern Nova Scotia devastated by the quota cuts.

It is now April 22 and there still has been no announcement. A task force from the Nova Scotia provincial government proposed a plan to the minister well over a month ago.

Perhaps the real reason behind this inordinate delay is so the government can announce this package in the midst of the provincial election to help the rapidly fading government of Don Cameron and the provincial Conservative Party.

I wish to inform this House that if the minister and the federal Conservative Party are using Nova Scotia fishermen as election bait they will not get their votes. Stop the politics, stop this cynical manoeuvring and start helping those people who need the government's help the most and who need it now.

* * *

FORESTRY INDUSTRY

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, Canada's forestry industry is on the rebound. In the first nine months of 1992 pulp production was up 20 per cent and lumber production was up by 13 per cent. With the recent surge in lumber prices, 1993 promises to be a good year.

I would like to congratulate forestry companies in Alberta for investing approximately $2.7 billion and creating 1,700 jobs in this sector of our economy this year.

This industry is poised for growth. This growth is targeted to foreign markets. This government is committed to promoting access for Canadian products into foreign markets through the free trade agreement, the GATT and the NAFTA.

* * *

NAMIBIA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, Oxfam Canada has been advised that the Canadian International Development Agency has arbitrarily decided not to participate in phase two of the Canada–Namibia co–operation agreement. CIDA worked with Oxfam Canada to design this five–year Century Focus project which was to spend about $7 million in Namibia, 10 per cent from Oxfam and 90 per cent from CIDA. The CIDA contribution represented Canada's bilateral aid to the newest member of the Commonwealth of Nations.

Namibia is a success story and a point of hope on the African continent. The cuts in foreign aid are unacceptable everywhere, but where a country has finally been nurtured from oppression to democracy Canada is doubly wrong for so quickly abandoning this fledgling nation.

The preoccupation with eastern Europe will be a tragedy if it means that we desert or even betray our earlier commitments. I call on the government to reverse this decision or at least wait until the first phase can be evaluated.

* * *

PARKINSON AWARENESS MONTH

Mr. Stan Wilbee (Delta): Mr. Speaker, April has been declared Parkinson Awareness Month. Parkinson's disease is the second largest neurodegenerative disease in Canada. One person in 200 over the age of 40 and one person in 100 over the age of 55 may develop this chemical disorder of the brain. Since 1965 the Parkinson Foundation of Canada has been striving to help people with Parkinson's disease. It raises funds for research, provides information and counselling services to patients, their families and caregivers, and raises public awareness through various activities.

Activities for Parkinson Awareness Month will vary from chapter to chapter. One beautiful symbol of the struggle against Parkinson's disease is the red and white Dr. James Parkinson tulip named for the physician who first described the symptoms of this disease.

Please join with me in wishing the Parkinson Foundation of Canada and its many volunteers a very successful Parkinson Awareness Month.

* * *

EARTH DAY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, today we celebrate Earth Day with tree planting and environmental events across the country. As individuals and as a country we must take responsibility for leaving future generations a healthy planet.

Many Canadians take actions to protect the environment but expect governments at all levels to do what citizens alone cannot do. For instance, we have to work to eliminate pollution and prevent toxic chemicals from entering the air, soil, rivers and lakes. We have to stop overfishing and protect the ocean habitat. We have to harvest our forests carefully and conserve old growth forests. We need legislation to protect endangered plants and animals. We need to use energy more efficiently and produce a national plan to prevent global warming. We should help the poor in securing adequate nourishment, shelter and health standards.

In other words, we have a lot to do and so little time. Let us make every day Earth Day.

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EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, Canadians are outraged at the fact that their hard-earned tax dollars are being purposely squandered by the president of the European Bank for Reconstruction and Development, Mr. Jacques Attali.

• (1405)

His personal Napoleonic pipe-dream of Taj Mahal-like grandeur for EBRD headquarters fundamentally mocks the good intentions and compassion with which Canadians contributed.

The purpose of this bank was to use the vast majority of its funds for the creation and development of private sector businesses and market economies in the former Communist regimes.

I, and I am sure Canadians everywhere, applaud the efforts of our representative at the bank, Mr. Donald McCutchan. Mr. McCutchan, courageously, was the only bank board member to vote no to this breach of trust.

I call upon this government, despite today's apology by Mr. Attali, to strengthen its determination to rectify this mess and get on with the rebuilding of eastern Europe.

* * *

[*Translation*]

ARMENIA

Hon. Marcel Prud'homme (Saint-Denis): Mr. Speaker, on Saturday, April 24, the entire world will remember the first holocaust of the 20th century.

Armenian Canadians will be on Parliament Hill at 12.30 p.m. to pray and remind humanity of the horror of those years of suffering.

My colleague and friend, the hon. member for Gatineau—La Lièvre, along with many other members of Parliament, will give our fellow citizens the assurance of

our active commitment to have this event proclaimed by Canada and to take up this issue to the UN.

Sunday evening, in Montreal, I will be present at one of the Armenian churches Sourp Hagop, and I invite all my colleagues to attend.

* * *

[*English*]

HUMAN RIGHTS

Ms. Barbara Greene (Don Valley North): Mr. Speaker, 50 years ago in the Warsaw ghetto courageous Jewish resistance fighters were in their third day of a desperate 27-day battle against overwhelming Nazi forces.

This weekend I will join my community in commemorating the 78th anniversary of the Armenian genocide which was the model for the Nazi holocaust.

Don Valley North is home to many people who have experienced racist and/or religious violence. There are also many people who have risked their lives in wars combating these evils which humiliate, hurt and destroy so many innocent people.

Canadians must remember and our children must be taught these horrendous lessons of the past. We must resolve to continue to fight for human rights and freedom from discrimination in Canada and around the world.

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[*Translation*]

DE LA SALLE HIGH SCHOOL

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Today, Mr. Speaker, hundreds of young students and their parents are here on Parliament Hill to protest the unfair budget cuts the Ontario New Democratic government is imposing on De La Salle High School.

At stake is the unique program offered at the De La Salle Centre for artistic excellence; this program is the only one of its kind in Ontario to serve the numerous artistic needs of our French-speaking youth.

It is imperative that the people should let the New Democratic Premier of Ontario know how crucial it is to restore the level of financing so that our young people can mature and develop their talents to join the ranks of the Canadian arts community.

There are 17 English schools in Ontario offering similar arts programs to serve the needs of the majority. Just one school in the whole province of Ontario to serve half a million young French-speaking Ontarians, is that too much to ask?

I invite all French-speaking Canadians and their friends to write to the Ontario premier telling him that francophones in his province are asking no more but no less than what the majority enjoys.

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EARTH DAY

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, today is Earth Day. On this occasion, I am proud to say that, in its various policies and programs, Canada has made every effort possible to live up to the commitments made by our Prime Minister at the Earth Summit in Rio.

Our country has taken part in several international initiatives designed to preserve our natural environment.

For example, CIDA manages Canada's contribution to the launching of the experimental stage of the Global Environment Facility and has established a very innovative program designed to assist Canadian companies in making their most advanced environmental technology available to developing countries.

As agreed at that Summit, CIDA is playing a leadership role in the preparations for an international convention on desertification.

In closing, I would like to invite all Canadian men and women to ponder upon those questions and ask themselves what contribution they can make to the preservation of our planet.

* * *

• (1410)

[*English*]

FISHERIES

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, on March 19 I rose in this House and asked how this Conservative government could allow mass reclassification of senior bureaucrats while refusing the legitimate

reclassification of fisheries officers and marine surveyors.

The labour minister assured me that the President of the Treasury Board would respond to me as soon as he came back to the House. That was a month ago and there has not been a word.

In the meantime the government's classification grievance committee has ruled that the reclassification of fisheries assistant deputy supervisors is less important than that of a government interior designer because the designer's decisions affect the projected image of Canada as well as the resources of the department.

Do fisheries assistant deputy supervisors, and in fact marine surveyors, not affect the projected image of Canada as well as the resources of the department? What about the safety hazards they face?

This is not about reclassification. This is about paying off senior bureaucrats with wage increases at a time of across the board wage freezes, and this government's total unwillingness to provide legitimate reclassification of fisheries officers and marine surveyors.

* * *

ARMENIA

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I rise in the House of Commons today to remember the Armenian genocide that began on April 24, 1915.

I know that my colleagues in the House agree on the importance of remembering this day and mourning the loss of 1.5 million people who were killed in this horrific massacre. We must not lose sight of the impact this tremendous loss of life has had on the Armenian people. They were the daughters and sons, mothers and fathers, and wives and husbands of a nation of Armenian people who perished in this brutal extermination.

The tragedy is that Canada and most countries in the world have not officially recognized the 1915 massacre as a genocide.

NATIONAL VOLUNTEER WEEK

Mr. Al Johnson (Calgary North): Mr. Speaker, almost half of all Canadians volunteer their time and energy to a worthy cause at some point in their lives.

National Volunteer Week reminds us that these individuals make a vital contribution to our families and communities. It also provides an opportunity to recognize the efforts of special organizations, many of which would cease to exist without the commitment of their volunteers.

Calgary has been called the most active volunteer city in Canada. As the member representing Calgary North I can testify to the fact that our city is second to none in this regard.

The Family Life Education Council, Kids First, the YWCA, the Schizophrenia Association of Alberta and the many community organizations in Calgary are only a few that come to mind when I think of community builders which rely on volunteers. These organizations know first hand that volunteers represent the heart and soul of their operation. They also know there is no limit to what people can accomplish when they work together toward a common goal.

I would like to express sincere thanks to those individuals and organizations who contribute daily to our families and our communities. Their efforts make a world of difference.

I challenge everyone to get involved with the revitalization of our community as volunteers.

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SOFTWOOD LUMBER

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, last December GATT ruled that the United States had the right to use special procedures to launch a countervail action against Canada's softwood lumber exports.

GATT also ruled that the $15 million in bonds that were collected by the U.S. government should be returned to Canadian companies.

The GATT subsidies committee meets next week to deal with this ongoing dispute and the government

should be monitoring this matter closely for the many communities across the country that depend on the forest industry.

The minister said he would be aggressive with the Americans to get our money back. The minister should tell the House how much money the Americans have returned to us.

In other words, we want our money back. Rather than kowtowing to the U.S. all the time this government should be prepared to defend Canadian exports and Canadian jobs.

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ORDER OF CANADA

Mr. Murray Cardiff (Huron—Bruce): Mr. Speaker, the Government of Canada and the Canadian Seed Growers' Association are pleased to recognize the appointment of two outstanding seed growers to the Order of Canada.

They are Mr. Leonard Haney of Picture Butte, Alberta and Mr. Harvey Gjesdal of Birch Hills, Saskatchewan. Both gentlemen are credited with recognized excellence in their respective fields of production, pedigreed seed.

These two gentlemen have given a lifetime of performance to the seed industry of Canada and to agriculture in Canada. They have helped producers across this nation, received achievements for producing top of the line quality products of grains and oilseeds and have enabled Canada to be in a position to better serve the world by feeding the world and to take our proper place.

• (1415)

I ask the House to congratulate these two accomplished agriculture producers.

Some hon. members: Hear, hear.

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EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, two consecutive Secretaries of State have failed to bring forward a student loans program that is revitalized and responds to the needs of Canadian students.

Here is what has to be done if they have been listening to Canadians. Remove the 3 per cent tax on student loans and cut the additional six months' interest. Involve students in the student loan criteria if it must be given to the banks. Have flexible loans that respond to part-time students and variable workloads and increase the criteria for loans. They have not been changed since 1984.

If those in government want more help, I am willing to give it to them.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Acting Prime Minister.

Last night we learned of yet another Somalia shooting, allegedly at the hands of Canadian soldiers, bringing the number of such incidents to four.

Each time information on these incidents has come from tips by reporters, anonymous phone calls or a letter from a soldier to his wife. Each time there has been a hurried-up investigation immediately afterward. Never have we had an honest, forthright, effective response from the Minister of National Defence.

When will this government acknowledge that the minister of defence is simply not fulfilling her responsibilities to her department or to the Canadian people? Will the Acting Prime Minister ensure there will be an open and complete account of these serious problems affecting our peacekeeping troops in Somalia and the reputation of Canada abroad?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the accusation that these incidents have not been reported simply is not true.

For example, the March 4 incident, which was the subject of some discussion here, the officers in charge on March 5, the day after, telephoned Canadian Press, Standard Broadcast News, CBC Newsworld and CBC Radio. It was widely reported in Canada.

Regarding the incident of March 16, a press release was issued in Mogadishu. It was not covered but there was no attempt to cover it up. The other two incidents were both reported in the media.

In each situation an investigation was commenced. Two of the incidents were considered sufficiently serious that investigation teams were sent from DND to Somalia to investigate directly.

The minister of defence is in the legal system of DND and in fact has duties not dissimilar to those of a judge. Therefore she is limited in what she can say with respect to details of the cases.

I am sure the hon. member would appreciate that in the interests of justice, fairness and proper procedure in this matter, it would be most inappropriate for anyone in authority to give extensive details of the investigation.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the hon. minister knows that in one case notice was given by posting a notice on the board. The other was simply a verbal account. In two cases there was no record of any press release being distributed.

In the CTV report last night the defence department admitted that investigations were under way in only two of the cases. It does not add up in anybody's estimation to a full, open and proper account. The consequences are serious. The defence chief of staff said in an interview in *Maclean's*:

> The Somali incidents may well be symptomatic of a breakdown of our discipline and our leadership.

My serious question is this. Does the government, the Prime Minister and the Acting Prime Minister not think it is about time that we had a minister of defence in place who has the capacity, the interest and the time to deal with the serious problems affecting us in Somalia, to come to grips with the breakdown of discipline and leadership, in other words, to show there is some responsibility being shown at the top of the department of defence?

• (1420)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member is wrong again in saying that only two of the incidents were investigated. That is not true. They were investigated. The investigations were initiated or started on site in all cases. In two of the cases it was found unnecessary to proceed further and in the other two cases it was found necessary to proceed further. That is exactly what is happening. That is what should properly happen in any circumstances.

The hon. member seems to have some doubts about the validity of the legal system within the Armed Forces and as a result of expressions of those doubts by himself and other members there have been some concerns raised. To allay those concerns the Judge Advocate General's department will be having a press availability session this afternoon to describe to all interested people exactly how the legal system works within the Armed Forces.

I am sure any fair-minded person will reach the conclusion that things are proceeding properly in a fair manner.

[*Translation*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, it is not up to judges and lawyers to do so, but to the Minister of National Defence.

I must say how very concerned I am about the precarious situation of our troops in Bosnia and in Somalia. They are asked to disarm civilians, without having the mandate to protect these same people. According to Colonel Michael Dewar of the International Institute for Strategic Studies in London, Canadians do not have the necessary equipment to protect themselves.

Neither the Secretary of State for External Affairs nor the Minister of National Defence have reported these serious events to the House.

Will the government, the Prime Minister, ask that a complete report on the situation of our troops in Bosnia and in Somalia be tabled in the House? Will he see that we have a parliamentary debate on the peacekeeping role of Canada?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I do not know how the hon. member has reached the conclusion that Canadian forces do not have the ability to protect themselves. They do indeed but perhaps not from the kind of innuendo the hon. member is putting forward in the House. But to protect themselves physically no military force has more experience, expertise or more respect from the rest of the world than the Canadian Armed Forces in terms of peacekeeping.

I want to remind the hon. member that what the Canadian Armed Forces are doing in Somalia is saving lives. Armed warlords were killing each other and

depriving starving Somalis of food that was being made available by international relief efforts.

As a result of the activities of the Canadian Armed Forces and other armed forces under UN auspices hundreds, if not thousands, of Somali lives have been saved. He should remember that as the main purpose and that is what happened.

It does not mean that improper incidents by Canadian military personnel are to be ignored. They are not being ignored. The allegations are being investigated in a proper fashion. I wish the hon. member would allow those investigations to proceed in that manner.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is for the Acting Prime Minister. You heard the answer from his colleague. He did not answer the critic of the Official Opposition.

In the midst of the escalating crisis in Srebrenica, 150 Canadian soldiers have put their lives on the line in the name of UN peacekeeping. All Canadians, especially the family members of our Canadian forces, are fed up with the government's indecision and the mixed messages being sent to the UN high command.

The safety of our troops is at stake. The government must declare whether peacekeeping forces will defend themselves only or will they extend protection to the inhabitants of Srebrenica?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, their role under UN command is to try to bring about a disengagement of the forces as a result of the Muslim forces having acknowledged their defeat. They have been carrying that out admirably and in the process I think helping the situation.

Under the rules of engagement should they be attacked, they have the right to defend themselves. They are not there to engage in military action with the forces. They are there under UN command to effect the disengagement of the forces and they have been doing that very well.

• (1425)

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my supplementary question is for the same minister. Why are we asking for additional forces? Why are we saying we will provide protection to the inhabitants? With what equipment?

It is very clear we need a full debate in the House on this whole issue.

Some hon. members: Hear, hear.

Mr. Flis: Mr. Speaker, it is plain to Canadians that the current minister of defence is preoccupied, at least in her own mind, with a more important battle on another front, the fight for the leadership of her party.

Some hon. members: Oh, oh.

Mr. Shields: If we had the helicopters there would be more protection.

Mr. Flis: The Tories hoot and howl, but the safety of our troops comes first to the opposition. Considering the future reputation of Canada as a peacekeeping nation, would the Acting Prime Minister give a message from this House to the Prime Minister to discharge the present minister of her responsibilities and appoint a new minister who has more time and commitment to this important role in a time of world crisis?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am glad the hon. member is worried about the effectiveness and safety of Canadian forces. I hope he will convey that to his colleagues and perhaps they will re-examine their new-found position on the EH-101 helicopters.

As for the question of a debate in the House we would welcome a debate. I suggest the hon. member talk to his House leader about scheduling an opposition day at the first opportunity. It is available to him and we would welcome that opportunity.

The Canadian forces, by all accounts that I have heard or read, are conducting themselves admirably in Yugoslavia, contributing to the saving of lives. They have been getting the wounded and the weak out of Srebrenica and continue to perform in a fashion we have become accustomed to from the Canadian Armed Forces.

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Acting Prime Minister and is a straightforward one I think.

When will the Minister of National Defence come before Parliament and the people of Canada and account for how she has conducted her responsibilities as

Minister of National Defence in respect of the operations of our forces in Somalia?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as the minister of defence has indicated, under the National Defence Act the minister has certain responsibilities that are similar to those of a judge in terms of the legal system. That precludes or circumvents or puts bounds around the kinds of things that can be said.

She has publicly asked that the Department of National Defence issue as much information as possible as soon as it becomes available in respect of these incidents in Somalia without prejudicing the case.

In order to give the hon. member and anybody else some comfort in the military's criminal investigations and the procedures and so on, as I indicated earlier there will be a briefing by the Judge Advocate General's office this afternoon for members and the media. Hopefully it will aid the member understand that the Minister of National Defence has been acting properly and in a responsible manner, given her responsibilities.

Mr. John Brewin (Victoria): Mr. Speaker, the minister does not need to lecture the House on the responsibilities of the Minister of National Defence. They are very clear.

We accept the minister has responsibilities in respect of the prosecution, but she also has responsibilities for the reputation of Canadian peacekeepers, how they are carrying out their responsibilities, what instructions she gave when she learned about these incidents, what she learned and what actions she took in her responsibilities for the troops in Somalia.

Will the Minister of National Defence come before this House tomorrow and make a comprehensive statement, within the bounds that she is limited, on how she has conducted her responsibilities, or will the minister recommend to the Prime Minister that she resign and be replaced?

• (1430)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, given the hon. member's questioning, it is touching to hear his concern about the reputation of the Canadian Armed Forces.

I would ask the hon. member to attend the briefing this afternoon, or read the National Defence Act if he chooses, and determine for himself the roles and responsibility of the Minister of National Defence in respect of these particular incidents. Then I would ask him after that in all intellectual honesty to examine what the Minister of National Defence has been saying and doing, and if he is a fair man he will reach the conclusion that she has been acting properly.

Mr. John Brewin (Victoria): Mr. Speaker, it is a shame that the government and the Minister of National Defence are hiding behind her responsibilities.

[*Translation*]

By her silence the minister of National Defence undermines the reputation of our Canadian forces who do a great job. Could someone tell us when the Minister of National Defence intends to make a statement so we can finally get to the bottom of this?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as I answered earlier, and I realize that was after the member had written out his question, the Minister of National Defence said yesterday that she has instructed the department to make all details available as soon as they are required but in a manner of course not to prejudice the case.

The hon. member is saying he respects the reputation of the Canadian Armed Forces but on the other hand has been using every opportunity possible to suggest that somehow they have been improper in their activities, that the proper procedures are not being followed, and that somehow people who may have been guilty of crimes are not being investigated.

He suggests that there is a cover-up. He has not a smidgen of evidence for any of those allegations. I would suggest that if he is concerned about the reputation he should stop making these allegations which have no basis.

[*Translation*]

THE BUDGET

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of Finance. Yesterday, Mr. Marcel Côté, the Chair of the Progressive Conservative platform committee, was saying that the budget will contain very painful cuts.

Can the minister confirm that in preparing his budget he took into account the fact that substantial cuts in government spending, if not matched by a parallel lowering of interest rates, will reactivate a major recession and create a crippling deflation?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member will have to wait until Monday and then he can draw his own conclusions.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, we have waited a long time to find out if this government understands the linkage between fiscal policy and monetary policy.

For years now we on this side of the House have called for a real agenda for change. All this government has given us is a series of stop-gap budgets, not one of which has addressed Canada's real needs.

The chair of the Progressive Conservative platform committee says that next Monday's budget is simply more of the same. He says: "Within a month and a half the budget", Mr. Mazankowski's budget, "will be totally forgotten".

If that is what Mr. Côté says, what is the government going to say to the International Monetary Fund?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, Mr. Coté was not involved in the drafting and the putting together of the budget.

If the hon. member wants to know where we stand in terms of how to best achieve low interest rates, it is through the containing of inflation and fiscal consolidation.

Mr. Peterson: Kim does not like her officials; Don does not like his president.

Mr. Mazankowski: Both those policy pillars are certainly not in accord with the Liberal Party because its policy is to tax, spend and borrow. We have had far too much of that.

* * *

EUROPEAN BANK OF RECONSTRUCTION AND DEVELOPMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance.

Today in London, England, Mr. Jacques Attali, president of the European development bank, held a press conference in which he apologized for the extravagant expenditure on the bank's headquarters. He also said that only yesterday he received another telephone call from the Prime Minister of Canada expressing his support.

• (1435)

I ask the Minister of Finance: How can the Prime Minister of Canada express his support for expenditure in only two years on the bank's headquarters which is more than twice what was spent on loans to struggling European countries? How can the Prime Minister appear to condone what to Canadians looks like the misuse of their hard-earned tax dollars, money his Conservative government committed to this bank?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is really interesting how the opposition tries to distort the facts.

Yesterday it was accusing the Prime Minister of withdrawing the Canadian director on the advice of the president of the EBRD. In that same press conference today he was asked the question directly by Madeleine Drohan of *The Globe and Mail*, and I quote: "There have been some reports that you asked for the Canadian director to be taken back. I am wondering if that is the case and what the reason was for it". The president: "It was not asked for". As a matter of fact he goes on to say that the directors who have served have served very well.

Why would the hon. member take issue with the position of the federal government which really is the same policy we apply back home? The director who has

discharged his responsibilities in an exemplary fashion was merely carrying out the directives and the policy of the Government of Canada, period.

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a supplementary question for the Minister of Finance.

Yesterday the Prime Minister, speaking in this House about Jacques Attali, said:

> No, we didn't bring him over on a Canadian forces jet—wrong again.

Also yesterday in a Toronto newspaper, *The Globe and Mail*, it was reported and I quote:

> Mark Entwhistle, the Prime Minister's press spokesman, confirmed yesterday that Mr. Attali was flown to Ottawa from New York on March 5 aboard a Canadian Forces Challenger jet for a working luncheon.

I ask the Minister of Finance to explain this discrepancy. I ask him to explain why the Prime Minister denied something that actually happened. Why are he and the Conservative government so embarrassed and defensive about this matter?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, my understanding is that transportation was provided from New York. That is fully consistent with an international protocol that exists with all the G-7 countries. That is extended to the international financial institutions as well.

This is not something extraordinary. We extend this courtesy to people like Mr. Gorbachev and other foreign dignitaries who have difficulty in arranging their commercial transportation.

* * *

HEALTH CARE

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a question for the minister of health. I would like to say that we on this side of the House have greatly appreciated his contribution to public life.

In his remarks this week the minister said that he will continue to speak out in defence of universality in the Canadian health care system.

I want to ask the minister for his reaction to the increasing number of plans for private medical clinics for the wealthy, including one in Calgary which will also take public money for the selling of private beds in public hospitals and for the increased privatization of provincial health plans.

What actions is the minister of health prepared to take if the planned Calgary private MRI clinic goes ahead?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, there are rules within the health care system in Canada which indicate that all administration of hospitals funded at the federal level with the provinces have to be public management.

If there is anything wrong with what is done in any part of the country dealing with the health care system, including what my hon. colleague referred to, it will be investigated by the department. If there is any problem we will see to it with the province involved. In this case the hon. member is talking about Alberta. We will wait for the province of Alberta to ensure that what is done is according to the rules of the health care system in Canada.

• (1440)

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my supplementary question is for the same minister.

The minister's answers always overlook that the real reason private medicine is growing in this country is the five-year federal freeze on health funding. The federal government's cash contributions to medicare this year increased by $3.3 million or only 12 cents per Canadian.

Will the minister agree that the five-year freeze has not encouraged medicare innovation but instead has encouraged medical privatization and the development of a two-tiered U.S.-style health care system?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, if the member would have listened to what I said in my first answer he would not have had to ask the second question.

He knows very well what I said. I said that within the rules of the health care system the federal level supports what is public management. I did not talk about the private health care system.

Once again talking about the money, he should know that the three provinces in which his party is represented have said for the last two or three years that there was enough money in the system. It is not a question of money; it is a question of management.

Once again, if he had listened to what I said the first time he would not have asked the second question.

* * *

AIRLINE INDUSTRY

Mr. John Manley (Ottawa South): Mr. Speaker, in its ruling earlier today on the Gemini case the competition tribunal decided that the order sought by the director of investigations and research was beyond its jurisdiction; but the tribunal did say, and I quote: "If Canadian fails or is forced to merge with Air Canada competition will likely be substantially lessened".

What contingency plans does the Minister of Transport have to ensure a competitive, Canadian controlled airline industry providing safe and accessible service to Canadians?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the decision rendered this morning by the competition tribunal is an important step in a due process that is ongoing.

The transaction between PWA and AMR is also being examined by the National Transportation Agency. PWA has already indicated that it will appeal this morning's ruling. I think it would be improper for me to comment on other aspects of this matter before this is settled.

Mr. John Manley (Ottawa South): Mr. Speaker, despite over a year of warnings this minister has done little more than issue idle threats about overcapacity in the airline industry, threatened to bring back some kind of recalibrated regulation and then backed off doing that, and provided under the table assistance to certain carriers by not requiring them to pay transportation fees and charges. During all that time he has never yet come forward to indicate whether his policy for Canada is to have one airline or to have two airlines competing.

When is this minister going to take responsibility for this portfolio and tell Canadians what he sees for the future of Canadian aviation?

[*Translation*]

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I do not know whether or not it is as a result of the Minister of Transport's interventions, but I think Canadians should know that our two major airlines, Air Canada and Canadian Airlines, announced recently that they would reduce their capacity by 11 per cent. This is a step in the right direction, a direction which should bring both companies back to a profit level which should benefit all Canadians.

* * *

[*English*]

VIOLENCE

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Deputy Prime Minister.

The Deputy Prime Minister will know that Canada has now become the second-most violent country in the western industrial world, second only to the United States. The minister will also know that an all-party committee of the House has described that one of the causes of this is the decline of social policies, in other words the very policy of the government.

Will the minister now admit to the House that increased crime, increased violence in homes and on our streets, is a direct result of the cutbacks in government programs and social policy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): No, Mr. Speaker.

* * *

• (1445)

YOUTH

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, the minister's answer was short and so have been the solutions of this government to the problems facing this country.

My supplementary is for the same minister. Criminal activities among Canadian youth are on the rise, caused in large part by the helplessness among those in large cities who are looking for jobs, looking for training, looking for any opportunities. Instead of opportunities all this government offers is cutbacks, cutbacks in jobs, cutbacks in training, cutbacks in support for students.

How can this government pretend it is interested in the safety of our children when it gives them absolutely nothing to do and nothing to hope for?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, again there is I am sure not a deliberate, but a misleading attempt to distort the facts.

The fact of the matter is that the total federal social expenditures between 1984–85 and 1991–92 have increased by some $36 billion, from $57.3 billion to $92.7 billion. That is an increase of $35.6 billion or 7.1 per cent on an annualized basis. That is far more than the over-all program expenditures by the Government of Canada and far more than the rate of inflation.

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AIRLINE INDUSTRY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport.

The only thing we can safely say about the decision by the competition tribunal this morning is that the uncertainty facing both Air Canada and Canadian will continue into the near future.

What action is the minister prepared to take now to ensure there is a Canadian airline company around when the results of that appeal are heard?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, first of all, we will let the process go through. One aspect of it is the question of the Gemini system. The other aspect is the question of *de facto* control. This is being examined by the NTA. We are monitoring this very extensively and I think matters are progressing satisfactorily.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my supplementary is for the same minister.

The minister cannot stop the appeal. We know that. The minister cannot stop the NTA process. We know that. What we want to know is whether the minister is going to take other action to ensure that those two airline companies will survive. It does not do us any good to wait until the appeal is heard if there is only one airline left by that time.

[*Translation*]

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I have already mentioned several times that when both companies appeared before the National Transportation Agency they indicated that they knew how to become profitable again by reducing their capacity.

I am quite certain that the hon. member is aware that both companies recently announced that they were going to reduce their capacity by 12 per cent. It is not quite enough but it is a major step in the right direction to become profitable again for the benefit of all Canadians.

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is for the Minister of Transport.

This minister is undoubtedly aware that American Airlines has offered to purchase a third of Canadian's shares. The minister must have realized that for all intents and purposes, it meant a take-over by the American carrier, the air transportation world giant. The net result of this deal will be to jeopardize Air Canada and to eventually push this company under the control of another American giant.

I ask the minister to tell the House what he intends to do to prevent such a disaster.

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I do not know if the hon. member has kept himself informed but for the last month, the National Transportation Agency has been reviewing this particular situation.

This country is managed by rules according to which, in case of a transfer of shares between two companies, the National Transportation Agency, which is an independent agency, must review the terms of the proposed agreement and decide whether or not they fall within the scope of the legislation.

The National Transportation Agency will hand down its ruling by May 28 and any speculation in this matter is pure fantasy.

• (1450)

Hon. Lucien Bouchard (Lac-Saint-Jean): In other words, Mr. Speaker, everyone is responsible except the minister in charge. Instead of playing the same old tune with his wishy-washy answers, the minister should remember that the fate of the Canadian airline industry is being decided.

Does he not realize that the only responsible and reasonable solution to this problem is through the merger of Canadian Airlines and Air Canada? Does he not agree that this is the only way to save the 6,000 Air Canada jobs in the Montreal region?

[*English*]

I ask the minister to tell the House what measures he will take to force a merger of Canadian and Air Canada in order to provide Canada with at least one healthy national airline.

[*Translation*]

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I will answer in one language only because with simultaneous translation the answer will be the same in both languages. I hope that from now on the comments the member makes in his riding will be different from what he said recently on that subject.

With regard to the matter before the National Transportation Agency of Canada, I think the honourable member, who is a lawyer, should know that everything is proceeding as it should and that we have laws in this country we must live by. The National Transportation Agency of Canada will decide if the proposed transaction is in accordance with the legislation. By the way, I think the question was even more trivial than any reply I could give.

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[*English*]

SMALL BUSINESSES LOANS ACT

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is for the Minister of Finance.

As he knows, we are just emerging from a brutal three-year period of world-wide economic problems. The fundamentals are now in place for growth and expansion here in Canada. Inflation is low; interest rates are attractively low.

However many small and medium-sized businesses in my riding cannot obtain loans from our major banks. How can the government convince the banks to be more reasonable in their credit-granting practices?

It seems to me that the banks have become part of the problem of this recovery instead of being part of the solution.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, indeed that is a good question.

The government has certainly been trying to address that and to do whatever it can to stimulate the small business sector, to take a number of initiatives to make credit available to the whole ambit of the small business sector in a more effective way. To that end, government has brought in changes to the Small Businesses Loans Act which have increased the over-all borrowing to $250,000. There have been a number of important measures that will improve access and the utilization of the Small Businesses Loans Act.

It has prompted a very positive response from the Royal Bank of Canada and other banks. I want to make particular note of the fact that the Bank of Nova Scotia and one or two other banks have indicated that under this new proposal they will be prepared to loan money to small businesses under the Small Businesses Loans Act at the prime rate of interest, which is 6 per cent. That is a very good indication of the banks' willingness to co-operate with the small business sector. I applaud them for their efforts.

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EXTERNAL AID

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I wish to put my question to the Minister for External Relations. It concerns development assistance cuts.

Yesterday the minister stated that her treacherous application of a regional strategy, Africa 21, was not influenced by the leaked department of external affairs document which proposed linking aid to Canadian trade priorities. If this was not the motive for the minister's cuts in Africa, why did the minister choose to abandon or level disproportionate cuts to many of the poorest emerging democracies in Africa, our stated first priority?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations and Minister of State (Seniors)): Mr. Speaker, I first want to repeat here in this House that we have not abandoned Africa, quite the contrary. As part of the practice that I had to implement, we considered very seriously the consensus and the best way to deliver programs to continue providing social, cultural, political and economic aid to all countries in Africa, Asia and the Americas. We therefore had to take the regional base into account, on which there was a social consensus. Based on these decisions and these consultations which

preceded Africa 21, we took the measures announced in our economic statement of December 2, 1992.

• (1455)

I want to tell this House again that we will always have available to the countries of Africa, wherever and whatever they are, the funds needed for humanitarian aid, emergency relief, food, and of course we must do business with the African countries, which can also deal with Canada.

[*English*]

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the same minister. This government has abandoned the poorest countries in Africa. Token programs will not replace the lost support for long-term development projects. The president of the World Bank reminds us that not helping the poorer countries carries negative consequences for all.

Why does the minister not reverse her many appalling budget cut decisions in Africa until a full public review of development assistance policy can be made?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations and Minister of State (Seniors)): Mr. Speaker, the world political context has evolved and the needs have changed. We must adapt our procedures and program delivery to new requirements. Even the United Nations Secretary-General agrees that the best way to help the poorest African country is through regional development and that is what we are working on. I repeat, we have not turned our back on Africa. We are simply applying our programs differently.

* * *

[*English*]

IMMIGRATION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I want to ask the Minister of Finance why as a result of the government's new immigration law proclaimed on February 1 the department is not renewing the work permits of thousands of refugees who had jobs, satisfied employers and were supporting themselves. The minister of immigration and his officials promised in committee on February 17 and March 24 that this would be corrected, yet two months later nothing has been done.

Why is the government throwing these people on to the welfare rolls when the minister has said he wants to cut the deficit?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, as my hon. colleague knows the minister of immigration is away on government business. I will take notice of the question and I am sure he will get back to the hon. member as soon as he returns.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, every day we learn of refugees who are losing their jobs because their permits are not being renewed.

[*Translation*]

In the debate on Bill C-86, we alerted the government to this result and we even proposed amendments, but the government did not listen. I now ask the government to proclaim regulations to ensure that all refugees' work permits will be extended until their final hearing.

[*English*]

Why sap the welfare system when refugees want to work and they have jobs?

[*Translation*]

Hon. Pierre H. Cadieux (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, since my hon. colleague's supplementary question called for regulations, I will of course transmit this request to the Minister of Employment and Immigration.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is for the Minister of National Revenue. It concerns reports that the government is failing to collect millions of dollars in GST from American magazines, thus putting Canadian magazines at a disadvantage.

Is the minister prepared to deal with this problem in some way, or is he prepared to choose an alternative strategy and that is to get rid of the GST, the tax on reading material altogether, so that this discrepancy would disappear? If he is not prepared to do that, what is he prepared to do to make sure these American magazines are paying the GST?

Mr. Harvard: Axe the tax.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, we did axe the tax. We axed the federal manufacturers' sales tax, making Canada more competitive.

The hon. member should know that the large American and indeed foreign publications are GST registrants. They pay and collect the GST in Canada. Publications such as *Newsweek*, *Esquire* and others all pay and collect the tax. The majority of other publications that come into this country have sales of less than $30,000 and as such are on a level playing field with Canadian publications with sales of $30,000 or less and do not have to register or collect the tax.

* * *

• (1500)

THE BUDGET

Mr. Al Johnson (Calgary North): Mr. Speaker, my question is for the Minister of Finance.

This morning we heard the opposition bleating for more spending and fewer cuts. Today in the *Financial Post* an article summarizes a report in which the Business Council on National Issues warns that Canada is facing a debt crisis. The council strongly argues that there is an urgent need for Ottawa and the provinces to cut their combined deficits from $60 billion to $40 billion per year. Canada's future depends on it.

In the forthcoming budget does the minister intend to take action which is firm and effective enough to achieve this absolutely essential objective and to what extent will he involve the provinces?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I appreciate the hon. member's question because it highlights the number one concern facing Canadians from coast to coast and that is the acknowledgement and recognition that we have a national debt problem composed of a debt at the federal level and the provincial level. They clearly want governments to work together to address this very pressing issue.

To the extent that we can provide leadership at the federal level, we will be trying to establish a process which will allow the federal government and the provinces to co-ordinate a fiscal and economic plan to lead us out of the difficulties faced by the growing deficit.

I hope the budget I bring down on Monday will go some distance in dealing with the very serious question my hon. friend raises. I appreciate the fact that he too is very concerned. I hope he can get some concern generated by the Liberals and New Democrats as well.

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POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, a very brief point of order.

During Question Period my colleague from Windsor West alleged that the Prime Minister spoke to President Attali yesterday. That allegation is absolutely false, untrue, unfounded.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): That is a bogus point of order, as I am sure the Deputy Prime Minister knows.

Mr. Speaker, my business question is for the government House leader and concerns the House business for tomorrow.

If the Deputy Prime Minister wishes to engage in debate on whether the Prime Minister was correctly quoted or whether he was just careless with the truth, I would be happy to accommodate him at any time.

Could the minister indicate the business for tomorrow? Since the budget has been announced for Monday of next week, which was subsequent to our meeting of House leaders last Tuesday, I would ask the government House leader what he will be proceeding with on Monday and if he could give us the line-up for the rest of the week.

Business of the House

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, yes. Tomorrow we will debate Bill C-93, the government organizations act at third reading. This afternoon will be the first of eight allotted days during this supply period. Tomorrow will be the government organizations bill.

On Monday, prior to the budget address by the Minister of Finance at 4.30 p.m., there is a number of pieces of legislation we would like to deal with: Bill C-109, the bill dealing with privacy provisions for cellular phone use; Bill S-17, the intellectual property act; Bill C-72, the environmental round table act; Bill C-107, explosives act; and, Bill C-90, the sentencing act.

I recognize that on a number of those there is a great deal of consensus and hopefully we can deal with them. I also recognize that not all of those might be in that category.

We will begin the budget debate on Tuesday and I expect to continue it on Wednesday. I will be in discussions with House leaders opposite on the business for the rest of the week and indeed for the rest of the month.

Mr. Dingwall: Mr. Speaker, I want to assure the government House leader that although we have co-operated extensively in the past in facilitating legislation in this House, I do not believe for a moment that all of the legislation which he read for Monday could ever be completed in a full day. I wonder if I can get the priority of the bills that he has in mind and the order in which they will be introduced. He has read a number of bills. Will he be starting with Bill C-109 or will it be S-17? I think the House would like to know.

• (1505)

Mr. Andre: Mr. Speaker, my intention is to start with Bill C-109 and then proceed to S-17. If through our discussions there would be some reason to change that order I would certainly entertain such a possibility.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have two questions for the government House leader. The first question is on behalf of my leader.

Would the government House leader give us some indication on the status of the Yukon land claims act? I know we have been looking at that for some time. I think that would be helpful, particularly for the Yukon Territory.

Mr. Andre: Mr. Speaker, I am not sure. Is that the one that is currently before committee or that is still to be introduced? It has passed? I am not sure what the problem is in that regard but I will certainly look into it and get back to the hon. member.

Mr. Riis: Mr. Speaker, in terms of that progress, perhaps I could ask my hon. friend, not necessarily through the House but just on a personal basis, to inform me of what the status is.

I also want to take this opportunity to ask one other question. The NAFTA legislation, when it went to committee for the first time today, the first order of business was to introduce a form of closure. That in itself is disappointing.

When the NAFTA legislation returns to the House of Commons and considering that we had less than five hours' debate at second reading, the important stage of principle, would he at least give us the assurance that the government will not use closure or time allocation at report stage or third reading just so we can have some cover that there will be adequate debate?

Mr. Andre: Mr. Speaker, what happened at committee, which is what I would like to see happen more frequently—in the House it does happen from time to time—is that the committee agreed to a reasonable and rational approach to the hearing of witnesses and clause by clause study. It put forward a complete program. All the committee members indicated that they would be willing to put in the hours and the time for the next few weeks to get it done. I think that is highly appropriate.

Certainly there are provisions under Standing Order 78(1) and (2) that allow us to get together as House leaders and agree on a reasonable amount of time in respect of report stage and third reading. I am also more than willing to sit down with opposition House leaders and discuss such an agreement.

Mr. Riis: Mr. Speaker, this puts us into a very delicate and almost impossible situation because the New Democratic Party opposes this legislation completely and totally. Therefore when the government House leader asks us to co-operate or to facilitate with legislation I

just have to tell him that there is no way on God's earth we can ever do that.

Mr. Andre: Mr. Speaker, I understand. I was not suggesting the New Democratic Party should bring itself to vote for the legislation. I understand they are philosophically unable to do that or because Bob White told them not to. I do not know what it is, but surely there is a difference between saying once you are opposed to something you must talk about it to infinity to express that opposition.

After a reasonable period of debate and discussion—I do not think the hon. member is going to be able to change our minds, and I doubt if we will be able to change his mind—one has to ask what value there is to prolonged, unlimited debate since the outcome will not change.

Mr. Speaker: I will hear the hon. member for Kamloops but briefly. It is getting very much into a debate.

Mr. Riis: Yes, Mr. Speaker. I just want to make two points to my hon. friend. Considering that the government only permitted less than five hours of debate at the important second reading stage—we can call it all sorts of names—we say that this is completely unacceptable in a democratic society.

I want to say to my hon. friend that yes, we do wish to debate this. Yes, we do want to see it handled appropriately. I must say that not because of any individual or any particular group that we as a political party feel that this legislation is not in the best interests of our country and the future generations of Canadians. We oppose it for that reason and not for any other reason. For my friend to ask me to co-operate I have to say it is just not possible on this particular piece of legislation.

• (1510)

Mr. Speaker: I understand as well as, I think, any member of the House that there is a strong difference of opinion about the legislation. However, I think we have had enough of an exchange on it. I am going now to the next member seeking the floor.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, regarding Bills C-107, C-92 an C-90 slated for Monday, the hon. minister said that there was agreement or that some kind of cooperation or consensus was possible among the opposition parties.

I would like to remind the minister that we have not had any information. When, as was the case yesterday, we are informed before the vote, we are quite willing to co-operate with the House to make sure that there is only one vote, as yesterday. We are ready to co-operate but we would like to be informed regarding those three bills which are very important to us. We would like to co-operate with the government but it could at least have the decency to keep us informed just like the other parties.

[*English*]

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I also wish to address a question to the House leader regarding Bill C-7.

I am sure the House leader is aware that Bill C-7 which deals with the status of the artist received Royal Assent June 23, 1992 but it has not been proclaimed.

Can the House leader inform us of the governments intentions and when this legislation will be proclaimed?

Mr. Andre: Mr. Speaker, I cannot immediately. Having passed it we are interested in having it put into effect. I presume that the administrative arrangements associated with it have not yet been put in place but I will have to check into that and get back to the hon. member.

* * *

[*Translation*]

PRIVILEGE

MEMBER FOR SAINT-HUBERT—DIVISION ON BILL C-62—SPEAKER'S RULING

Mr. Speaker: Two days ago division No. 458 was held on Bill C-62. The hon. member for Saint-Hubert raised a question of privilege on the way it was tallied. She clearly explained, after the Acting Speaker had spoken, how the votes of some members of the House had been misinterpreted.

After reviewing the case and the circumstances surrounding the vote, I am indeed of the opinion that a mistake took place in the House. Consequently, following the request by the member for Saint-Hubert—

[*English*]

I can announce that I will as Speaker issue a corrigendum and the record will clearly correct the situation to effect the way members did wish to vote on that vote. It is an error. It was not intentional and I hope that satisfies hon. members.

[*Translation*]

Mr. Plamondon: I wish to thank you, Mr. Speaker, on behalf of the Bloc Quebecois members, for taking the time to listen to our grievances and above all, for correcting the ruling made at the time by the Acting Speaker. I thank you for your co-operation.

[*English*]

Mr. Scott (Hamilton—Wentworth): Mr. Speaker, I want to thank you on behalf of the House. As a servant of the people and of this House you have upheld in an exemplary manner the true principles of democracy in this place.

[*Translation*]

I would like to congratulate the member for Saint-Hubert.

Mr. Speaker: I thank the hon. member as well as the member for Richelieu.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ECONOMY

The House resumed consideration of the motion of Mr. Langdon (p.).

Madam Deputy Speaker: When the House rose the hon. member for Lambton—Middlesex had concluded his remarks. We will now proceed with the five-minute period of questions or comments.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, this morning the hon. member for Lambton—Middlesex, who formerly was minister of Agriculture under the Liberal government, made an extraordinary speech because he has a great heart and cares about his country, especially about agriculture in Canada.

I can tell you that I have often read his writings and they are always very informative on issues which are often complex. The hon. member for Lambton—Middlesex frequently tells us how, since 1984, the programs of the Conservative government have destroyed agriculture in Canada and have very often hurt producers and food processors.

[*English*]

I would greatly appreciate it if the hon. member for Lambton—Middlesex would give his thoughts and feelings on food production and processing in Canada, where it comes from and where it is going.

Mr. Ferguson: Madam Speaker, I would like to thank my colleague for the question.

First, I should reiterate the fact that Canadian food production and processing have the highest quality standards of any country in the world.

However I am growing increasingly alarmed at hearing the government say that we have to be more globally competitive. The government has not told us what that competition is.

I have a publication here called *Viewpoint* by Ernst and Young. It points out that in Europe the top 10 food manufacturers account for 60 per cent of the turnover among the top 40 companies.

We think this is a high level of concentration. In Canada the top five food distributors control 80 per cent and that is almost a monopolistic situation. In fact in some parts of the country one would have to term it that.

If we have to be globally competitive we cannot ignore the fact that there are some huge transnational corporations that control huge sectors of the U.S. agriculture industry in both production and processing.

One firm controls 25 per cent of chicken production and processing. Two firms control a huge volume of the beef processing. Between those two firms they slaughter 43,000 head of cattle a day. One of those firms has now bought a huge plant in Saltillo, Mexico.

How do we as Canadians compete against that type of thing? We do not have those volumes. On top of that, those huge firms have now been using a streamlined inspection system, or SIS, in terms of food quality. It simply means that it hires its own inspectors.

Last January a large number of children in Washington State became very ill. They were violently ill. In fact three of them died from food poisoning from eating contaminated hamburgers. Several more have permanent kidney damage. Some children in Abbotsford and Chilliwack had the same problems. I submit that this was a disaster waiting to happen. I talked about the quality standards prior to this in the House of Commons.

I maintain that our Canadian systems are the best in the world. We have to maintain those systems. We have to maintain the production systems across Canada that have been the best in the world and that have supplied Canadian consumers with high quality food at very reasonable prices. We can never afford, as Canadians, to let other corporations take control of our food supply.

As another member from eastern Ontario has pointed out on many occasions, food production and processing in Canada must be made a national security item.

• (1520)

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I am particularly pleased to be able to stand up in this House today to debate what I consider an important motion, which is the devastating effects of this government's policies on jobs for Canadians.

While I recognize that there is a tremendous crushing and debilitating effect on those who have lost jobs directly, it goes beyond that. I want to talk about those spin-offs. Let us look at the situation to make sure that we are talking from the same sheet.

Since 1989, in the manufacturing sector alone, between 300,000 and 400,000 jobs have been lost. That is roughly 15 per cent. In the U.S. it has been 7 per cent. While the government argues about a world-wide recession, the U.S. has fared much better than Canada.

Let us look at some facts on the economy. The net public debt at the end of 1991-92 was $422.8 billion. That is much more than double the debt that the government inherited in 1984. The federal deficit for 1991-92 was $34.6 billion. We see over the years that the deficit has exceeded $30 billion virtually all the time. The proposed deficit for 1992-93 was $34.4 billion. The deficit for the first 10 months of the fiscal year 1992-93 was $31.2 billion. The unemployment rate in March 1993 was 11 per cent. The number of Canadians unemployed was in excess of 1.5 million Canadians. The number of Canadians on welfare was in excess of 2.7 million. I have not talked about the food banks which will nourish well over two million Canadians this year.

Here are some other negative changes that have occurred. In 1988 there were 789,000 families experiencing unemployment. In 1992 it is 1.132 million. The unemployment rate in 1988 was 7.5 per cent. That is the average. In 1992 it was 11.5 per cent, which again is an average. What a deterioration. Youth unemployment is particularly close to my heart. In November 1988 it was 11.8 per cent. In February 1993 it was 16.7 per cent. The number of youths who have never worked was 350,000 on average in 1989. In 1991 it climbed to 412,000. In 1992 it was 475,000 and we expect it to be even higher in 1993.

Ask Canadians about their expectations for the future. We did ask this in 1988: Do you think the country and the economy will be stronger and will you be better off or worse off? In 1989, when we got the results, 28 per cent said that we would be better off. In 1992 it had gone down to 16 per cent. Those who said that we would be worse off were 41 per cent in 1989 and in 1992 it was 54 per cent.

I could give some more statistics but I think that I have made the point. The situation has deteriorated by virtually every single economic indicator that we use.

People will say: "You are a member of the opposition so obviously you are going to make statements like that". I want to draw the attention of the House to an article in *The Gazette* on April 16, 1993. The headline reads: "A national disaster, The real unemployment poll, A staggering 3.9 million people is a gaping wound in Canadian society, Catholic bishops say". What have been some of the headlines across the country? "Japanese owner shuts Trenton plant, Stamping plant to close in June, 91 to lose jobs".

• (1525)

In another article it says: "Auto plant closing to cost 200 jobs". In yet another one there is a map of southern Ontario and metro Toronto with all of the factories and commercial enterprises that have closed. There are many dots. "Job loss data points to manufacturing decline". It goes on to point out how serious it is.

Other articles say: "Where the jobs are disappearing, Job drain at critical mass to union: Hawker Siddeley taking Surrey plant south, Battered Cornwall loses 360 more jobs, 150 will lose jobs in a few months when Gatineau acoustic panel plant shuts, Penetang seat belt plant to move 194 jobs to Mexico, Aerospace plant closes, Auto parts plant closing: 115 jobs vanish". It goes on and on and on.

My province of Manitoba has not, in fact, been spared the devastation of the government's economic policies because it has on virtually every single indicator of poverty, the highest score in Canada. With youth poverty it is the worst record in Canada.

As I travel in my riding and as I travel through Winnipeg I see scores of plants and businesses that have closed and it looks like a devastated area.

As I indicated initially, it is extremely sad that those people have lost jobs because it impacts not only upon them but upon other members of the family and their immediate entourage in the community. It creates stress and a feeling of not being empowered to do anything about it.

There is something else that is often forgotten. Those job losses also assist other sectors. There is an important spin-off.

Let me give a number of critical examples from my riding, which is not unlike many others in Canada. In my riding there is the St. Boniface General Hospital, *l'Hôpital Général de St. Boniface*. There are many, many job losses as a result of these closings, of this bankruptcy and of this economic situation that is not only recessionary but even worse. There is also those billions of dollars that have not been transferred over to the provinces.

I have in my own riding the Collège universitaire de St. Boniface that is the only French language university in western Canada. It too has been affected as have the other universities and the community colleges because of the reduction in the transfer to provinces for education, training and retraining. It has been affected seriously. There are losses of jobs in those sectors. Community colleges are particularly hard hit. There are people lined up who cannot get the training that they require in order to dig themselves out of this hole called poverty.

There is simply not enough training. There are bankruptcies and closures everywhere. There are delays for new start ups. There are well-qualified and highly motivated people, sometimes with double degrees and sometimes journeymen and journeywomen, who have excellent working records but cannot find jobs.

Let me give a few examples. There is a woman who is a new Canadian who had been a teacher and civil servant in her country. She is willing to take any job in order to help her family. She will have two daughters who will be going to university to be able to benefit from that which we have benefited in the past. Try as she might there is no work.

There is a person who because of health reasons needed to take early retirement but whose spouse developed difficult medical problems and needed some additional attention. He wants to supplement his income with a little extra work. He is well qualified and highly motivated. There is nothing there.

A married young man below the age of 30 is willing to undertake any job. There is nothing.

I could go on and on.

[*Translation*]

I believe I have nevertheless demonstrated that the policies of this government regarding job creation have failed and I would be pleased to answer any question from my government colleagues about my speeches or any other subject.

• (1530)

[*English*]

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I listened to my hon. colleague from St. Boniface. I used to live in the suburb of Norwood in St. Boniface and I know of St. Boniface hospital.

I know from my friends still in Winnipeg that district in Manitoba has been very hard hit, as he has said. In fact I felt much closer to what he was saying because there are so many stories like that about southern Ontario. He has

made a very clear case that the present economy is not working and a change of course is needed.

On that basis I would like to ask the hon. member a two-part question. What does he feel will be the effect on the economy of southern Manitoba of the North American free trade agreement if it is adopted and brought into force? On the basis of whatever answer he gives to that first question, what is his party's intention regarding the North American free trade agreement?

Mr. Duhamel: Madam Speaker, I thank my hon. colleague for the question. How I wish he were still a resident of my riding of St. Boniface. In spite of his political preference I am sure he would probably support me during the next election.

Mr. Heap: I hope you would support me.

Mr. Duhamel: Of course I would. A gentleman like you, why would I not?

With respect to the very serious question of what my party's position is with respect to NAFTA, we have put it out time and time again. I feel very comfortable with that position. We have indicated that we cannot support NAFTA the way it is. We need a common set of trade rules. We need to ensure that environmental and labour standards are respected. We need to have security over energy and water.

Those are some of the issues that my leader has spoken about and that he is concerned about. He would make sure those were corrected and rectified before signing such an agreement. He has also said that this is a wonderful opportunity to correct the deficiencies of the Canada-U.S. trade agreement and I applaud him for having done that. By the way, he has also said that if we could not get those kinds of agreements we would abrogate.

There are those who would abrogate first but they would still have to negotiate. They have not proven their case that if they were to abrogate and then negotiate they would come up with a better package than we would if we were to sit down at the table and negotiate.

I feel very comfortable with our position. I think it is a responsible one. I am concerned as are many Canadians that if this is to go through the way it is, the kind of devastation I have described today will continue and it must stop. It must absolutely stop. The country cannot take any more of it.

Mr. Heap: Madam Speaker, would not the hon. member have considered it useful if the bill had been defeated in the vote on second reading? Almost half of the members of the hon. member's caucus were absent for the vote. Those who were present voted against the bill on second reading but of course it was not enough to defeat second reading.

Can the hon. member comment on why almost half of his caucus chose to be absent so that while their votes of those present were recorded against it, the caucus as a whole allowed the second reading to go through by having nearly half the members absent and therefore not voting?

Mr. Duhamel: Madam Speaker, I know that I voted against it. I do not know whether it was half or almost half and I hesitate to speak for those who were absent. I think they can do that for themselves. I am sure there was no machiavellian plan, not that my colleague has suggested that, to try to help the government get it through. I assure the hon. member that is not true. They were solidly behind the leader and his policy. We do not want this bill to go through as it is. We need a standard code of trading rules. We need improved security with respect to labour and environmental standards and the points I have made. I assure my hon. colleague there is no hesitation on our part. Our position is clear. It is there. It will be followed and it will be respected.

• (1535)

[*Translation*]

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Madam Speaker, here we go again. Another simplistic motion condemning this government's economic policies. It is so easy for the opposition to produce motions without taking the time to really analyse the government's economic record. In fact, there is now a wave of optimism among Canadians about our economic recovery. And what do we get from members opposite? Another dose of pessimism and negative commentary. The usual unrelenting, repetitive and inaccurate criticism of the government's economic policies.

If my hon. colleagues do not know the facts, I will be glad to explain what those facts are. Only last week the Conference Board of Canada, an independent agency, predicted that economic growth will be even stronger than expected. Exports are up and inflation is very low. In fact we have the lowest inflation rate of any industrialized country. Interest rates are low and stable. The Canadian dollar is strong, and employment opportunities are improving. I know the unemployment rate is high. In any case one unemployed worker in this country will always be one too many. However, does the opposition realize that while the unemployment rate is high, there is optimism generated by our economic recovery among Canadians who are starting to look for work again?

Our government is willing to listen to constructive criticism that is documented and based on fact, not to negative criticism and unfounded accusations based on rumour.

Consider economic growth. Among the G-7 countries, Canada is outranked only by the United States on standard of living per capita, based on the gross domestic product. In recent years, strong economic growth has helped us close part of the gap that separates us from our prosperous neighbour to the south. Investment as a percentage of GDP is at its highest level in 25 years. On this point we outrank the United States and Germany. Manpower productivity is increasing while our production costs have gone down considerably. In addition substantial gains in productivity have enhanced Canada's competitive position on international markets.

The opposition referred to job losses, but do they realize that in the past few years, Canada created more jobs than any other G-7 country? Other countries envy our ability to create jobs. Although opposition members take the negative view, as usual, our government is committed to implementing positive policies that will guarantee sustainable growth.

And here is what we are already doing with that in mind: we are giving small businesses a 10 per cent tax credit for all machinery and equipment they will purchase this year. Furthermore, most businesses hiring new workers this year will not be subject to increases in unemployment insurance premiums. I may remind the House that the opposition voted against these measures.

The government has extended the Small Business Financing Program for two years. This program allows companies to refinance loans at less than market rates.

• (1540)

We simplified the rules so as to encourage more investment in small business with RRSPs. We also raised the ceiling on loans under the Small Businesses Loans Act to $250,000.

Our government is not unaware that research and development is also essential to lasting economic growth. That is why we increased tax incentives for companies doing research and development by $230 million in the past five years. We have also set aside a $400 million reserve to overcome tax barriers to the technological development and the growth of business.

Our approach is as logical as can be. We ask Canadians to show self-discipline and to make short-term sacrifices so that our country can reap long-term benefits.

The only way to get rich quick is to win the lottery. Our government will not endanger Canadians' future economic well-being by unearthing the temporary one-shot job creation projects of the 1970s that went nowhere and cost them so dearly. We remember the old ideas of our Liberal friends. Like old ghosts from the past these Liberal candidates resurface, like the leader of the Liberal Party, a man of the past who, by the way, was a member of the House of Commons when John F. Kennedy was President of the United States. These people would take us back to the old recipes of bygone days, recipes which in the 1970s did not solve any problem, but indebted us, and we are still paying for them. They are just solutions from the past.

Our government has not continued on that dead-end path to put Canadians back to work. We want workers to attain a good standard of living and contribute to Canada's economic prosperity.

For this we have adopted a constructive approach that will produce lasting results in the long run. The opposition motions criticizing our government suggest that we should act as if our heavy debt burden did not exist. They are always trying to ignore it and asking us to act as

though there was no debt. All they want to do is spend and spend and spend. They love to spend other people's money.

That means living beyond our means and placing an undue financial burden in a completely irresponsible way on the shoulders of those who will come after us—our children and grandchildren. The government will not take that path. The Canadian people have given us the fundamental responsibility to act in the interest of the economy and we intend to live up to it.

Canada's greatest resource is its people and its workers. That is why our programs count on working people. They show the confidence we have in their initiative, our confidence in the imagination, determination and dynamism of the workers of this country.

As the amendments we made to the unemployment insurance plan show, we are convinced that Canadian workers can succeed. We can no longer spare those who do not act responsibly enough to keep their jobs, simply because they do not want to work. We appeal to their deep sense of self-esteem and we ask them to contribute to the economic recovery.

We must emphasize training. We absolutely must prepare Canadian workers so that they can take their place in the world economy which is moving ahead rapidly and is based on knowledge and high technology. Every day, workers tell our employment counsellors that they want training. Training is almost everybody's top priority. They do not want to be subsidized by collecting unemployment insurance. They want to have a reasonable chance to get better jobs. They want training.

• (1545)

To meet this demand during the fiscal year which just ended, we spent $3.5 billion to enable 685,300 Canadian workers to participate in government programs relating to the labour market.

During this new fiscal year, we will spend about $3.8 billion on programs and services related to the labour market. I think that even my hon. colleagues will agree that this is a significant increase, compared to the $2.1 billion spent in 1985-86. Of the $3.8 billion, $2.21 billion will be spent on specific training and adjustment initiatives for UI claimants in the context of the so-called developmental uses. This amount is the largest ever spent on developmental uses in the UI account. It is 13 per cent more than last year and almost four and one half times more than the $500 million budgeted in 1990. What is so terrible is the fact that the opposition voted against these excellent initiatives.

We are talking not only about expenditures but also about investment. I wonder if my hon. colleagues understand that. The economic downturn is an integral part of global restructuring; it is useless to attempt to put the blame on the government and its actions. If my colleagues from the opposition displayed a little bit of intellectual honesty, they would clearly tell the population that a large part of our present problems are due to a restructuring of the world economy.

The government is not sitting idle, waiting to see what will happen. In spite of all the negative and senseless objections made by the opposition, we take positive measures to help workers face the competition more easily once the economic recovery is definitely under way.

This year one million UI claimants should get some occupational training while receiving benefits. This is how we invest these $2.1 billion. I challenge my hon. colleagues to propose a better way to invest in Canada's future.

Occupational training is certainly the top priority for workers who have had many productive years and who suddenly find themselves unemployed because of this industrial restructuring at the international level. This is the reality and when we talk to workers, they recognize that reality.

Workers who have been laid off and who have worked uninterruptedly for at least five consecutive years have a well established work ethic. They know what they want. They want training and professional development in order to rejoin the labour force. And the government fully intends to provide them with this training.

Our government will spend $300 million to help put these people back to work as soon as possible. To this end we will create partnerships with business communities and organizations. We are in the process of setting up local adjustment committees to meet the particular needs of the clientele. These initiatives are taken to improve our economy.

I also wonder if my hon. colleagues know that our work sharing program enables us to use the UI fund so as to avoid lay-offs. In periods of work slowdowns, employers can keep workers who agree to work a shorter week and who are eligible for UI benefits for the down days.

These are among the other initiatives taken by our government.

Experience has taught us that the government must allow the private sector to have direct input regarding the use of federal resources to solve problems related to the labour market. These employers are important stakeholders. We have also learned that the private sector must spend more time, make more efforts and use more resources, so that we have skilled workers who are able to face the competition.

The government helps to achieve these objectives by gathering together business people and other stakeholders in powerful and effective sector groups.

• (1550)

Working together with the business community and other stakeholders, we have already set up 17 sectoral councils to help promote continuing training. But that is a fact that the opposition forgets to mention, does not remember and fails to recognize. We are now improving this positive approach through a five-year plan, the sectoral partnerships initiative in which we are investing $352 million. This program, which has recently received an extra $250 million in funding, will enable Canadian business to face the human resources challenges confronting it and to do so within the scope of the program. It is essential, for one thing, to establish clearly what skills workers will need to enable Canada to remain competitive in the future. This is a major aspect of our strategy that the opposition has deliberately omitted.

With this in view, the number of sectorial councils will be increased by 38, to a total of 55. These councils will look into human resource development, a challenge now facing Canadian business. The sectoral partnerships initiative is based on the premise that the private sector is responsible for training workers on the job. However, we lag far behind our global competitors when it comes to manpower development. That is why our government will once again act responsibly and provide leadership on this issue.

Under this new program, tax incentives for training programs in industry can be created and even more workers can be trained under cost-sharing agreements signed with the government's partners. The sectoral councils will also develop new and improved occupational standards to increase performance and job opportunities for 3.5 million Canadian workers.

I would like to point out that the new program will not be implemented at the expense of short-term job creation programs as the government intends it as a long-term job creation plan. However, our immediate concern should be, and is indeed, putting Canadians back to work.

The sectoral partnership initiative flows from the many priorities set by business. The sector studies we have undertaken were widely applauded, apart from the opposition. That is how we know that there is strong support for new partnerships between government and business.

The emphasis should be on establishing partnerships. Neither the government nor the opposition can claim to be able to solve the problem on their own. We need partners. We need to create partnerships, to work together with business, labour, educational and training institutions as well as community organizations. Indeed, partnerships have always been important and, now that the economic recovery is under way, it is more important than ever for all Canadians to be involved in such partnerships. That is obvious. If all Canadians join forces our country can remain prosperous.

I urge my colleagues opposite to set aside their negative rhetoric and to join all Canadians in living up to the United Nations report which says that the best quality of life in the world is found in this great country of ours. Try as they may on the opposition side to blame all this country's problems on the alleged bad policies of this government, the fact remains that every time we have introduced measures to control and cut our expenditures to bring the deficit under control, every time we introduced measures to promote better training for Canadian workers, every time we took initiatives such as those under the Patent Act, what did the opposition do? It voted against. They have condemned our measures, often at the expense of the people of Canada and their well-being.

As usual, this motion is pointless. It is totally partisan rhetoric from the opposition.

• (1555)

I call upon all hon. members of this House to reject and vote against this motion which, in itself, is sheer negativism at a time when our economy needs to perform better and better.

I once again urge all my hon. colleagues to reject such a pointless motion, which is of no use to the Canadian.

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, toward the end of his speech, the hon. member talked about the rhetoric of the opposition. In fact, throughout his speech, he accused the opposition of making negative comments about the government.

I would like to remind the hon. member that last week, while the House was not sitting, two important reports were released and they did not come from the opposition. In its report, the Canadian Conference of Catholic Bishops made alarming statements about the economic, financial and social situation of Canada.

Then Statistics Canada showed us the real picture which was especially revealing for us in Montreal. For two years now we have been asking the government to tell us how it will revitalize our area. I hope I will have enough time to go through some statistics since the questions and comments period is quite limited.

I would like to refer my hon. colleague to an article by Paul Durivage published in *La Presse* on March 9. The three sources I just mentioned have nothing to do with the opposition. I am referring to one journalist, the Catholic Bishops of Montreal, and Statistics Canada which is a government agency.

I have a copy of Paul Durivage's article which appeared in the March 9 issue of *La Presse* and I quote:

> According to Mr. Jacques Pelletier, senior market analyst for Canada Mortgage and Housing Corporation, since 1990 there are 4 per cent fewer jobs in the area.
>
> The retail market is flat. Last December, of all the metropolitan areas, it was still in Montreal department stores that sales were the slowest.
>
> As for home building, last year was the worst on record since 1982 in Metropolitan Montreal.
>
> The slump in the building industry is closely connected to a high vacancy rate which has been consistently increasing since 1986 to reach 7.5 per cent today. For the last thirty years, there have never been so many empty dwellings in the Montreal area.
>
> Many office spaces are also vacant. In the hotel industry, the Association des hôtels du Grand Montréal, which keeps track of the number of beds occupied in the 45 biggest hotels of the city, sees no visible sign of recovery.

These are telling signs. I have a few very interesting graphs under the caption "A city for rent". Unemployment rate, the curve is going up; housing starts, decreasing; office space vacancy rate, on the rise; hotel occupancy rate, decreasing; retail sales, decreasing; inflation rate, decreasing.

This is this government's track record. So, instead of blaming the opposition for reminding the government every day of the misery that prevails elsewhere, the government had better deal with the real problems people face instead of creating systems which, in the long and the short run, will only benefit its friends.

Instead of blaming others, this government, which was elected in 1984 on the promise of jobs, jobs, jobs, should explain why after nine years we have the kind of numbers which were released by Statistics Canada. Do you know that in Canada we have 1,537,000 unemployed workers and 2,700,000 Canadians on welfare? We have close to four million Canadians who, one way or another, have no job and live below the poverty level, thanks to our Tory government.

• (1600)

Mr. Robitaille: Madam Speaker, understandably the hon. member for Saint-Léonard who represents a Montreal area riding shows a great deal of interest for Montreal, but I find it unbelievable that he should try to blame the conditions he described on the policies of our government.

Everyone knows we are just coming out of a recession which has been very hard, not only on Canada, but also on many other countries throughout the world. Clearly, the recession has had an impact, but to say that during that period of recession and global restructuring the government did nothing to help the situation is morally dishonest.

The hon. member talks about all the jobs lost in the Montreal area. Twice in this House we had legislation which benefited greatly the Montreal area. There was the bill on patented medicines which has brought millions of dollars of investment to the Montreal area and has resulted in more than 8,000 new jobs being created.

What did opposition members do for the Montreal area? They voted against that bill and their colleagues in the other place filibustered.

And now they want to advise us on how to create jobs in that area, when we know how well the Liberal government did. At the time they closed all the oil refineries in Montreal. Come on, be serious. The problem in Montreal goes back to the Liberals. When they were in office they never bothered renewing the economic structures.

The hon. member raised the issue earlier of the escalating reduction of housing starts. He was giving a lot of statistics, but he should have mentioned the record level of exports to the United States which is responsible for a lot of jobs; the latest statistics which show an increase in consumption in Quebec and Canada; the establishment of employment centres this last few months; the lowering of interest rates which stimulates construction; more affordable mortgage rates; and growth rates which should be among the highest in the country this year.

We have every reason to have confidence in the future of the country, to have confidence in the policies of the government. We know that the hon. member and his colleagues do not like the fact that we can now see the light at the end of the tunnel, that things are looking up. Obviously, in the context of forthcoming elections this is not good news for the hon. member.

He can say anything he likes in this House. He will not change the fact that we are coming out of the recession and that economic recovery is in progress. All economic indicators are positive. We are on the right track. The people in his riding, like the rest of the Canadian people, have confidence in the future, confidence in their ability, and are determined to recover the jobs lost and to reduce unemployment.

We are on the right track and we certainly do not need any lecture on how the federal government, our government, should commit itself to the economic recovery of Montreal, especially given the track record of the Liberal government in that area.

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, today the hon. member for Essex—Windsor has put forward the following motion:

> That this House condemns the government for policies that have decimated the economy forcing company closures resulting in job losses for Canadian workers.

I want to say right away that I support this motion without hesitation because every statistic under the sun shows that Canadians are worse off economically since the Tories took office.

• (1605)

The previous speaker may criticize the opposition but the facts are there and opposition members are not alone in condemning the government for its economic policies. Last week the Canadian Conference of Catholic Bishops asked the government to act. The bishops begged the Conservative government to do something about the high unemployment rate in this country. They said that the economic policies of the past decade had put an undue burden on the workers in this country.

According to the bishops, Canada is experiencing a social crisis that is unprecendented, with one-quarter of its labour force shut out of the labour market. If the government finds it hard to believe opposition members or Canada's bishops, let us take a look at the figures published by the government's own agency, Statistics Canada.

If it compares today's figures with 1988, the government will see the economic situation in this country has worsened. In 1988 there were 789,000 Canadian families with one member unemployed. In 1992 there were 1,132,000, an increase of over 43 per cent. In 1988 the unemployment rate was 7.5 per cent. In 1992 it was 11.5 per cent. Today more than 1.5 million Canadians are unemployed. In November 1988 the youth unemployment rate in this country was 11.8 per cent. Today it is up to 16.7 per cent.

The situation is just as depressing in Quebec's main urban centres. Between March 1992 and March 1993, the unemployment rate went up in Chicoutimi, Jonquière, Trois-Rivières and Montreal, where more than 225,000 people get unemployment insurance benefits.

Consider the number of jobs lost since January 1989 in the manufacturing sector. Canada has lost 319,000 jobs in this sector. The hon. member told us that exports had gone up. That is all very well, but according to Statistics Canada, since 1989 we lost 319,000 jobs in the manufac-

turing sector, a sector that is vital to our economy. This means 15 per cent of all the jobs in this sector.

In Quebec 115,000 jobs were lost in the manufacturing sector during the same period. This represents a loss of 19 per cent in a sector that is extremely important to the economy of Quebec and the Montreal region. Meanwhile, in the United States only 7 per cent of the jobs in this sector disappeared.

These are Statistics Canada figures, not mine. The hon. member said earlier that we had just come out of a recession that was caused by the international economic situation. It may have been caused by the international economic situation but why did our neighbour to the south lose only 7 per cent of its jobs, while we lost 19 per cent and Canada as a whole 18 per cent? If we are supposed to blame these changes on the international economic situation, why is Canada being penalized more than other countries? I think the conclusion is obvious and that, as the motion says, the Conservative government's unsound economic policies are to blame.

Job losses and high unemployment rates result in pauperizing the population. Montreal is a case in point. Last week one of the headlines read "Montreal: Poverty Capital". That is where we are after nine years.

Figures released last week by Statistics Canada showed that Montreal has set a new record for poverty. In 1990, 22 per cent of the population was living below the poverty line.

Last November in Montreal, food banks distributed 800,000 pounds of food, or nearly 20 tons per day. As a matter of fact, the amount of food distributed by Moisson Montréal, the only food bank in the city, is ten times greater today than it was in 1985.

• (1610)

In 1990 in the whole province there were 269,000 families and 403,000 individuals living below the poverty line for a total of 1,200,000 people.

That is the true portrait of a decade of unhealthy economic policies and mismanagement by the Conservatives.

It is easy to blame the opposition, to say that the opposition voted against this measure or that measure. We voted with the government on measures we thought made sense, but we voted against any economic measure that put the country in an impossible situation.

Mr. Moore: C-91 for Montreal.

Mr. Gagliano: For Montreal. I can see I just woke up the hon. member opposite.

The figures are there. For two years I have been asking the government to do something for Montreal. What has it done? Nothing. What has it done for Montreal, the poverty capital! We used to have this advertising slogan in Montreal: A city with pride. Today, it is a city with unemployment. This is where the Tories got us. They just keep blaming that on the opposition. I could go on at length, but I will remain brief because I want to share my time with my colleagues.

What are the Tories' economic policies? The free trade agreement with the United States. Now they want to force on us a trade agreement with Mexico. During the 1988 elections, they promised to continue to negotiate after the elections for a new definition of subsidies. They are now proposing another agreement with Mexico. But what was to be defined under the Canada-United States Free Trade Agreement has not even been defined yet.

Just think of the 37 tax increases, the GST and the absurd monetary policy. Just think of the exaggerated war the government waged on inflation. They waged such a war that now the whole economy is on its knees. Earlier the hon. member talked about the economic policies the government had put in place to help small businesses, to help them take off, thanks to low interest rates. Yes, they are low, but try to borrow from a bank. During the adjournment, I talked with bankers in my riding who told me they had so much money they did not know what to do with it. I told them to lend it to people. There are businesses with projects that want to take off. Why do you not lend them money? The situation is so precarious that they do not want to take chances. What is the use of low interest rates, of policies to encourage businesses to get loans from the bank when the over-all economic situation is so bad that banks will not give these loans?

Let us think about the cuts to the unemployment insurance system. As we are going through one of the worst crises in our history, instead of fighting unemployment, what is the government doing? It is attacking the unemployed, those who are not responsible. They are the victims, not the people responsible for the crisis.

That is what the government is doing, attacking the unemployed.

After nine years in office, after 37 tax increases, after the GST, when the national debt has almost tripled and the annual deficit is the same as it was in 1984, the government finally finds out that it has to address the deficit and the financial crisis. But when we said "stop spending, cut the $5.8 billion helicopter project, lead the way", it said "no, this is sacred; we will not touch that."

During the leadership race, for example, where do you think the candidates will want to make cuts to reduce the deficit? Once again on the backs of the unemployed, the sick, those who live in poverty. Again they will cut social programs. I will never forget this old man who once told me: "Remember every time we have a Conservative government, destitution prevails". Tory times are bad times. The Conservative government proved it once again and still does today. However, I hope—and I really should not say I hope, because I lost all hope in this government—but on Monday, we will finally have the budget and we will be waiting to see what will happen. As I was saying I lost hope. On Monday the Conservative government will probably make cuts to give us the impression that it wants to reduce the deficit but again, it will be the poor and those who earn the least who will foot the bill.

• (1615)

Madam Speaker, you are indicating that my time is up, so I thank you.

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, in my own constituency of Stormont—Dundas, the city of Cornwall provides a tangible example of the negative impact the government's economic policies have had on our communities across Canada. The unemployment rate in Cornwall now exceeds 20 per cent.

In the last two years more than 20 plants have closed and more than 2,500 jobs, manufacturing jobs—in other words, good jobs here at home—have disappeared. Yes, I will hear a question after a few comments.

In Cornwall, as in several other communities in eastern Ontario, the number of welfare recipients is rising at an unprecedented rate because of the many plants closing and jobs lost.

[*English*]

Many of the plant closures can be directly attributed to the previous high dollar and high interest rate policy of this Conservative government. The Canada–U.S. Free Trade Agreement also took its toll on the local economy and the lingering recession accounted for the rest.

In addition, the fallout from the NAFTA deal is already having a damaging impact on plants in Canada. Many plants are being forced to implement restructuring measures regardless of the cost to their employees in order to remain competitive.

The current dispute at the Nestle plant in Chesterville is a prime example in my riding of what is happening in Canada today. More and more businesses are taking steps to reduce worker benefits in order to retain domestic and export markets. Workers are being told they must give up previously hard-won labour benefits or face the loss of their jobs.

There is no level playing-field in the Canada–U.S. Free Trade Agreement and NAFTA provides no relief from the inequality of the FTA. The free trade deal has failed to provide Canadian companies with unrestricted access to U.S. markets and has certainly failed to deliver the jobs, jobs, jobs which the government promised Canadians it would.

[*Translation*]

I would like to ask my hon. colleague for Saint-Léonard if he thinks that this Conservative government, which apparently wants to reduce the deficit at any cost, understands that its economic policies have created an unacceptable human deficit—I repeat, an unacceptable human deficit.

Mr. Gagliano: Madam Speaker, I want to thank my colleague for his question because he brings into the debate a very important element which is often overlooked. We often talk about figures, percentages and amounts, but not the human deficit. We often forget that behind all these figures and this system human beings are affected.

Today when we talk about the unemployment rate we can say in an abstract sense, that it is around 13 or 14 per cent. But the reality is that more than 1.5 million people are unemployed, not to mention the 2.3 million Cana-

dians who are on welfare, giving us a total of close to four million Canadians. Thus, there are four million people in an unacceptable situation, people who do not work and who either get unemployment benefits or welfare payments. Who pays for that? Whether it is the federal, the provincial or the municipal level of government is irrelevant. What is relevant is the fact that human beings who want to work and enjoy a better standard of living are stuck with economic measures such as free trade and the GST.

Let us admit it. When I was sitting on the finance committee which examined the GST for months, all the officials from the Department of Finance, the civil servants, the government members and the minister himself, everybody told us that the GST would create an underground economy.

• (1620)

[*English*]

The underground economy was where the GST would come out and we would have prosperity. But we created a monster. Now we have an underground economy so big that no one can even account for it. It affects people, human beings. We forget that and the government forgets that. The government talks all the time about the deficit but forgets about the human deficit. I have no more hope or belief for this government.

An hon. member: Did you have some before?

Mr. Gagliano: It is gone, finished. On Monday do you think the government is going to think about the human deficit before the dollar deficit?

An hon. member: Never.

Mrs. Christine Stewart (Northumberland): Madam Speaker, today we are debating the NDP opposition motion:

> That this House condemns the government for policies which have decimated the economy forcing company closures resulting in job losses for Canadian workers.

It is not difficult to agree with this motion but I would like to suggest that the motion is too narrow. We have to be concerned about more than company closures in this country and the very serious impact that has had on Canadians.

I have listened to some of my colleagues across the floor. I heard them talk about recovery, the optimistic mood and so on. They are speaking of a country I do not recognize. I wonder how many members on the government side are seriously going into their constituency offices and dealing personally with those Canadians who are unemployed and find themselves in impossible situations today.

My staff in my offices and I find the situation in the constituency very depressing. It is very difficult day after day to address and listen to the problems of people who find themselves in these impossible situations.

The government policies which started off in 1989 with high interest rates following the free trade agreement are deplorable. High interest rates were supposed to be addressing the inflation rate in this country but ended up creating costs of servicing our debt which sky-rocketed. In fact, in trying to deal with servicing the debt, it caused our deficits to rise.

These high interest rates caused incredible problems for companies, small and medium sized business, the backbone of our nation's economy, and for individuals as well. We have seen unprecedented high bankruptcies occur in this country. The bankruptcies of small and medium sized businesses and personal bankruptcies are as much responsible for job losses as are any of the large company closures.

However we have not seen the end of this recession. Day after day we hear of more lay-offs and of government cutbacks in programs, cutbacks which cause more job losses. We heard recently of CN cutting back on many jobs. Ontario Hydro is cutting back on many jobs. The Ontario government is possibly coming out with more cutbacks to public service jobs. The list just goes on and on.

It has not stopped at all in my riding of Northumberland. We have been impacted by the loss of jobs in larger companies that have either moved south or have closed their doors completely not to move anywhere. We have had the loss of thousands of jobs in Northumberland because of the consequences of the recession we have been undergoing. We have also had and continue to have daily many small and medium sized businesses close in my riding.

We really find it mocking to listen to the unemployment statistics for my riding. Those who are working in social services and in the unemployment insurance

offices know the rates are much higher than statistics would say. For example, the statistics say that in my area unemployment is slightly more than 11 per cent. We do not even pay much attention to those figures any more because we know they are so inaccurate. We really do not know how they derive those figures.

It is interesting that one municipality next door to mine decided to do its own census because it was so concerned about the inaccuracy of the statistics. In doing that census that municipality, which I consider to be representative of the 16 municipalities in my whole riding, found it was not 11 per cent unemployment but a 14.6 per cent unemployment rate. What is more, over 6 per cent additional people said they were underemployed. They were not earning enough through part-time jobs or whatever to maintain a minimum lifestyle for themselves.

• (1625)

Food banks, the largest growing economy in this country, are not serving the needs of desperate people. A single father was in my office on Friday. He is trying to support his 17-year old son and has been supporting him since birth. He was asking me: "How can I live on $750 a month?" He can get no more assistance from the social services programs and the food banks are not going to help him. This is what we are talking about when we say the situation in this country is absolutely unacceptable. It is a disaster. People's needs have to be responded to and the government's current economic policies have not helped but have hindered the process.

I am convinced that if we dwell upon the financial debt and deficit and not the human deficit as my colleague was saying before, which to my mind is as serious if not more serious in the long term for the success of our country, if we do not pay attention to that then Canada will very quickly become a Third World country.

Having spent many years in the Third World I see many similarities now. I see people being supported in unemployment programs and so on. People are so frustrated. They are told they cannot take a course to improve themselves because that would take them away from looking for a job, jobs that do not exist.

Today in my office I heard of a woman who has been on unemployment insurance for four months. She has been called back by her employer to work again but it will probably only be for a few weeks. She is going to lose her position in training. Having spent four months at taxpayers' expense to sit in a training position learning something she was eager to learn, she now has to give that up and go back maybe for a couple of weeks to a job from which she will again be laid off. Then she will not be eligible for full unemployment insurance because of the way the economy is. So much of the inefficiency and ineffectiveness in the system must be addressed.

Others have pointed out that we have lost 319,000 manufacturing jobs and that is critical. That is 15 per cent of the total manufacturing jobs in this country and 18 per cent of the total manufacturing jobs in Ontario. We can talk about this recession and this difficulty as being part of a global picture, a global recession. But how is it that Ontario loses 18 per cent of its manufacturing jobs and the U.S. has only lost 7 per cent? There are inequalities. There have to be Canadian reasons for the Canadian economy doing worse than other G-7 members. The government's policies have not been helpful.

We heard last month in this recovery which is occurring in the midst of a recovering economy that consumer spending is down, that consumer confidence is down, that it is still poor. People in my riding are terrified. Unemployed people are desperate. They do not know what they are going to do tomorrow. Those who have jobs are terrified. They are reading articles such as the one appearing in today's paper by the Business Council on National Issues that the country faces a debt crisis. We are all extremely concerned about what is happening. I would say it is the very policies this government has been following over the last years that have been spiralling us down into a greater and greater crisis.

Talking about the economic recovery on the basis of increased exports from Canada to the United States and a trade surplus is not symptomatic of recovery in this country. We cannot depend upon one statistic like that to suggest that our country is out of recession. A recovery with no jobs is not a recovery.

I go on to quote what the bishops are saying, that 3.9 million people in this country are in search of decent jobs. This country needs value added jobs. Much more attention must be paid to the human needs, the trade needs, the job markets in this country. People have to be

trained for existing jobs. All levels of government have to work with management and labour to find out what those jobs ought to be. Where is Canada's place and what are its strengths in a global economy? Train people for those specific jobs. Unless we do that we are not going to recover.

• (1630)

Some of the lost jobs have been recovered through the creation of other kinds of jobs, but if you look at the jobs that have been created they are terrible. They are the very lowest paying, low-skilled service jobs. Flipping hamburgers in McDonald's is an example. Those jobs do not bring dignity to people. They are not jobs that are really taking advantage of the education and training the people in Canada have had. People are frustrated with those kinds of jobs.

This government in its policies must put people first. It must have policies that reflect this priority. Instead, we have a government that depends on trade first, debt and deficit adjustment first and big business first. This is not good enough for Canadians and it is not appropriate and right for the future of this country.

Mr. Pat Sobeski (Cambridge): Madam Speaker, I have a question for the hon. member. It is distressing she would leave on the record that indeed the free trade agreement has resulted in only creating jobs flipping hamburgers when she admitted in her speech that trade with the United States has improved.

She also mentioned OECD forecasts. The OECD has forecast that Canada will have the fastest rate of growth in the G-7 in both 1993 and 1994. I just want to put some of these numbers on the record because I know the member will be taking notes. The OECD is forecasting for 1993 that Canada's growth will be greater than 3 per cent, whereas in the U.S. it will be just over 2 per cent, in Japan just over 2 per cent, in Germany just over 1 per cent, in France just over 1 per cent, in Italy less than 1 per cent, and in the U.K. just over 1 per cent. In 1994 it is suggesting that Canada's growth rate will be over 4 per cent, whereas in the United States it will be 3 per cent, Japan 3 per cent, Germany 3 per cent, France 3 per cent and in the U.K. just over 3 per cent.

These are numbers from the OECD. I was wondering why the member, in her speech, would suggest these numbers are not correct when the OECD itself has indicated that Canada will indeed have the fastest growth in the next two years.

Mrs. Stewart: Madam Speaker, I am very happy to respond to these remarks.

First of all I did not say that the free trade agreement was creating low-paying, low-skilled service jobs. It is a fact, and I did not relate it to the free trade agreement at all, that this country has lost hundreds of thousands of highly paid manufacturing jobs.

It is also a fact that some manufacturers in this country, particularly small and medium-sized companies, have been able to successfully negotiate their way into the North American market with the free trade agreement in place. But it is also a fact that thousands and thousands of manufacturing jobs have been lost as a result of the free trade agreement. This is something my colleague raised, not I.

What I was saying was that we have lost value added types of highly skilled manufacturing jobs and we have not had the equivalent or better jobs to replace those lost jobs. Instead we have replaced them with low-paying service jobs.

On his point about the OECD and its prospects for Canada having a 3 per cent growth rate in the coming years, et cetera, we have many other forecasts. We have the IMF report of yesterday.

What I am saying is that recovery without jobs in this country can never be considered to be recovery because Canada must put people first. Statistics that say we are earning more money as a country because of our export trade with the U.S. is not satisfactory. The gap between the rich and the poor in Canada is widening on a day-by-day basis and it is totally unacceptable. This government will learn that very soon in this year's upcoming election.

• (1635)

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I thank the hon. member for her comments and her very clear criticism of the effects of the free trade agreement.

I know that on March 31 she along with many of us, with her caucus, voted against second reading of the North American free trade agreement. I would like to

ask her two questions. Does she believe it would have been better if at second reading the North American free trade agreement, or the bill implementing it, had been defeated? If she feels it would not have been better, if it is satisfactory that it was accepted, then why did she vote against it?

If she feels it would have been better if it had been defeated does she regret the absence of her 37 colleagues who, if they were present and voting, would have enabled its defeat?

Mrs. Stewart: Madam Speaker, I am also very happy to answer that question.

Yes, it would have been very good for this country if the North American free trade agreement had been defeated at second reading because second reading does say that in principle we are in agreement with or opposed to a certain piece of legislation.

This party believes that until there are agreed upon parallel agreements we should not be proceeding with a North American free trade agreement because there is a lot at stake for our country in that whole process.

I regret that because of the urgency of the work my colleagues had in their constituencies there could not have been more of us present in the House to vote upon that particular piece of legislation at second reading. There will be other opportunities and the member can be sure that we will express our point of view at every possible opportunity.

I would also like to say it is interesting that yesterday when we had the opportunity in the standing committee to challenge the Minister for International Trade only one of the NDP members was present at the committee meeting and the NDP's critics for trade and external affairs were not present.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, one would think in this House there was no recognition that we live in a world of change, unremitting and massive change. This change has been brought to this world of production and distribution by computerization, by satellites, by the transmission of data, equipment and knowledge, by robotization in plants and equipment in factories and so on. These things so dramatically change the way we do things that they have distorted and upset the entire production system of the world.

There are countries growing in this world. South China, for example, had a growth rate of 12 per cent last year. Hong Kong, Taiwan, Singapore and Korea all have very substantial growth rates. However they are new countries and do not have the old infrastructure. They are building a new structure and therefore can show new growth.

We have a situation in which we must massively change our structures, and in changing our structures we have massive dislocation. That is the kind of thing that is taking place in all of Europe and all of North America. All of the developed parts of the world are subject to this massive change.

It is strange to me, and it must be strange to those people watching, that the parties on the other side of this House do not recognize that. There is a great loss of jobs in the manufacturing field, but production in manufacturing is up 7 per cent. We produce a lot more goods with a lot fewer people. That is the nature of globalization. That is the nature of what is happening today.

We have to live in today's world, not yesterday's world. Yesterday's world is one in which we tried to be a little self-sufficient in Canada. We had trade barriers, high tariffs that prevented foreigners from bringing goods into the country. Then we could develop a plant here and a plant there which were only designed to produce a whole host of products for the Canadian market, and only the Canadian market. Today those plants are so inefficient in terms of industrial production on a world basis that our tariff rates would have to be well over 100 per cent across the board with massive restrictions everywhere if we wanted to retain much of the industry we used to have.

• (1640)

Our industries now must radically change. Our offices must radically change. Our whole system must radically change in order to exist or our standard of living will completely and totally disappear. This government has attacked change. It has attacked the problem. It has gone after the problem. It is not content to take the old system, the old rules, the old ideas and keep them. We have gone after change. We have gone after it deliberately, directly, and with foresight in order to build a new and better economy.

We have a sound money policy. We have beaten down inflation to its lowest rate in 30 years. Prices do not rise unrealistically any more. Our inflation rate in Canada is

the lowest of the OECD countries. That took some doing. That put some blood on the floor. However our inflation rate is down so that our money is sound money.

Why do people buy our bonds? Not because they like the looks of us. They buy them because our money is sound money. It will buy today and tomorrow the same amount of goods and services, and that is the kind of thing people want when they lend money to a country or invest in a country. A sound money policy is essential for Canada.

We have developed a fair tax policy. We have done everything conceivable in the last eight and a half years to change the Income Tax Act to get away from all the hidden little wrinkles that were in it to let the rich make more, to let the fast operators make more. We have done that deliberately, capably, and competently. Our Income Tax Act is probably fairer today than at any time in our history.

I am not saying that taxes are ever fair. Taxes are never fair to the beholder. Somebody looks at someone else and says: "They have more than I have. Perhaps they should pay more tax than I should". Our tax system today is fairer than ever before.

A corporate tax system has to be not just fair but competitive. My friends in the New Democratic Party would like to put greater burdens on the corporate tax system. They forget that we are in a world of competition, that companies earn their profits where they pay the least amount of tax. If we make our taxes higher than in countries that are our trading partners then, guess what? The profit will not be made here. It will be made somewhere else and transfer pricing provides no possibility of ever following it through. We could never with all the accountants in the country follow through all of the possibilities of transfer pricing.

In the last budget we made our corporate tax for manufacturers on average 2 per cent less than the manufacturing corporate tax rate in the United States. That is a very substantial advantage to those who would set up plants and businesses in Canada.

We have in this country, and have had for a long time, a sales tax system. Lots of people object to sales taxes, to commodity taxes. Before this Parliament began we had a sales tax system which put a 13.5 per cent tax on people who manufactured in the country. That tax gave an advantage to foreigners who brought goods into the country because they only paid tax at their plant gate and the cost of bringing goods here was not included in their tax base. Therefore we changed that commodity tax system to the goods and services tax.

• (1645)

That tax may have some problems with it. It may need some ironing out. It may need some work and massaging. A bill was passed by this House just recently to do that. Bit by bit we will have that tax system working very smoothly.

However that tax system is the fairest form of commodity tax system that the world knows. Indeed, 45 other countries in the world have that tax system.

To say that this is the wrong system, that a VAT tax system is not a good system, is to say that everybody else in the world is stupid and we know better than they do. That is the attitude of the New Democrats and the Liberals because they have not thought it through. They criticize us but they do not think it through.

In this great world of change we also must make sure that we try to train and retrain people for jobs, that we give people adjustment programs. This year we are spending $4 billion on retraining and training people on a national basis. That is infinitely more than was ever spent before, massively more. We have changed the system to try to train and retrain people, to try to get people to adapt to new circumstances, to new job opportunities, to new careers. We are all going to have to adapt to new ways of doing things.

In government we have adapted to new ways of doing things. Changes have taken place in employment and immigration in terms of how one files an immigration form. Those ways are very much changed. They are very much changed to take advantage of the systems that are now available. They are very much changed in the way the post office operates to deliver mail. These are changes that must take place. These changes will continue to take place. They must continue to take place.

We have to be internationally competitive. We cannot continue to do things in the old way because the old way is not good enough. The old way will give us a very poor standard of living. Our standard of living will drop and

drop if we continue with the old ways. We cannot carry on with old ways in a world of change.

We have done a great deal to promote science and technology. In a world of change we have to be brighter and we have to be ahead of other people. From 1984 to 1993 we have increased by 44 per cent direct government spending on science and technology, in grants and so on. Today we spend $200 million a year just on small businesses to allow them special credits in terms of their science and technology development. We have developed a series of centres of excellence across Canada in which we try to bring in scientists and engineers to work on new and important manufacturing and technological development.

Just recently in this House we passed Bill C–91 which gave further patent protection on intellectual property. That bill has been criticized but I have recently attended two major plant openings with major investment in my city of Mississauga. Yesterday Astra Pharma opened a facility and announced another $200 million in further investment in plant, laboratories, and assistance to people in universities to develop new pharmaceutical products. That company is manufacturing painkilling products today for export to the world. It has a world mandate.

• (1650)

With the huge investments in this kind of work, these are not small companies. These are companies that produce high quality jobs for people with doctorate or masters degrees. These are people we need to create a better society. This is not about flipping hamburgers. This is about building Canada. This is about building a better future for all of us. It is a question of the science and technology work we have been doing.

We have a special program for students. The scholarship arrangement qualifies 3,300 young people in our high schools across Canada every year for scholarships at universities. These scholarships are for $3,000 for a four year course at university in science and technology. The students have to be bright to get them but there are 3,300. That is a lot of assistance to young people who are going to help build our nation.

We recognize that if we are going to have jobs we have to assist small business. This House just recently passed a very major change to the Small Businesses Loans Act, increasing the limit of that loan to $250,000, making it possible for the money in the loan to indirectly be worked into working capital credit because it does not require a 100 per cent guarantee. It does not require that the proprietor put his house on the line, his blood on the line. He only has to guarantee 25 per cent of the loan.

Tell me where you can get a bank loan and only sign for 25 per cent of the capital. They only have to guarantee 25 per cent of it. Banks have come forward and said they are going to put that money up but not at 1.75 per cent over prime as they are entitled to under the act. The Bank of Nova Scotia has come forward and said it likes the statute so much it is going to lend the money at prime. The Bank of Montreal is matching it.

Members talk about not doing things but that is pretty important work. We have a 10 per cent tax credit for small business if they buy manufacturing equipment. That comes right off their tax. In effect, with a tax credit of 10 per cent and a small business tax rate of 12 per cent, small businessmen pay precious little corporate tax if they spend their profits in buying equipment. That is assistance that makes our small businesses work effectively.

In order to encourage businesses to hire people a UI holiday was provided for small businesses that pay less than $30,000 a year in UI premiums. A small business with five, six or ten employees which does not have to pay $30,000 in UI can hire people and not make any UI contribution for this year.

Mr. Milliken: That is after you have raised the rate 35 per cent.

Mr. Blenkarn: My friend says we have raised the rate. We did not raise the rate. We reduced the benefit a bit but we did not raise the rate.

Mr. Milliken: You raised the rates twice in one year.

Mr. Blenkarn: We kept the rates where they had been and they would have gone up if we followed the bill the way you wanted us to do.

Mr. Milliken: Get the facts.

Mr. Blenkarn: They want us to ensure the country does not work the way it can work best. This Parliament has had one situation after another where the opposition has ganged up to try to prevent things happening to make the country work better.

We have been working very diligently to trim government costs. We have privatized 23 Crown corporations, wound up 14 Crown corporations, wound up and consolidated 40 agencies and activities of the government in boards and other things. Most important, we have pushed and pushed to blast our way to the markets of the world. With the free trade agreement, our sales to the United States last year were $122.3 billion. That left us a very substantial surplus with that country.

• (1655)

More important, we are currently entering into agreements under the North American free trade agreement to tie in Mexico. We are exploring agreements to tie in Chile and Argentina. Right now the Minister for International Trade is on his way to Argentina again to explore more deals and more potential trade. By the way, he has taken the critic for the Liberal Party with him. Maybe together they can get the trade deal organized.

If we are going to be successful, this country that is expert at a limited number of things has to sell that expertise where it can. We have to be able to sell it everywhere in the world. We can and we will.

Last, may I point to the fact that our financial industries have been revamped so that our banks, trust companies and insurance companies will even more be able to compete in the international financial world.

Mr. Riis: In the Bahamas.

Mr. Angus: Cayman Islands. Do they pay?

Mr. Blenkarn: We think of services as not being profitable. At least one-third of the business of Canadian banks is in foreign markets making money for Canada and bringing back the head office jobs that keep young people employed, give us opportunities and make jobs. Fifty-five per cent of the activity of Canadian life insurance companies is in foreign markets. The head office work for those companies, the policy designed for those companies, is done in Canada and employs Canadians.

We are criticized by people who say we have not done anything. We are in a world of rough change. We have competed better than anyone else in this world of change. Our growth rates are awful but compared to our colleagues in other countries they are superb.

We brought down the deficit as a percentage of the economy. Our interest rates are down very dramatically again, another 10 basis points this week. Our tax system is fair and more competitive. Our trade agreements give us key access to new export markets. Our labour productivity is growing strongly. We are on the verge of a new beginning. I am proud to say this government has done its best to cope with change.

Madam Deputy Speaker: On a point of order, the hon. Solicitor General.

Hon. Doug Lewis (Solicitor General of Canada): Madam Speaker, in order not to interfere with Private Member's Business I would like to present a motion. I think you will find consent for the following motion. I move:

> That, notwithstanding Standing Order 45(6), any recorded division on Bill C-93 requested on Friday, April 23, 1993 shall stand deferred until Tuesday, April 17, 1993 at 6 p.m.

Madam Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I listened to my hon. friend from Mississauga and while I like him personally, I do not agree with anything he says. I want to make a short statement and I have a question for him.

The other day somebody was describing the government's approach to the economy. He said: "When a family finds itself in a serious debt situation because of accumulated debts the way to respond to that debt is not to resign from your employment and go on UIC". Somehow I think that symbolizes the approach of this government. It feels that by putting more people out of work by causing more small businesses to go bankrupt, somehow this is going to help the economy. This is a puzzling approach. Nevertheless it is where my friend and I disagree.

• (1700)

My question is this. The other day a young woman from Kamloops who is in grade 10 asked me this question. She is a very serious young student and has studied the free trade agreement. Kate Turley is her name.

She told me she did not understand why the government was going ahead with the NAFTA legislation. I replied that I did not either. She said: "Imagine, Mr. Riis, if you won $10 million in the lottery today. You want to start a new factory or plant and are going to invest your money with the idea of making a profit in the years ahead. You have four choices. You can pay your employees $18 an hour as we do in some of our manufacturing plants in Canada. You can go to the northern part of the United States to the rust belt area and pay $12 an hour for the same level of expertise. You can go to Louisiana, Alabama, Tennessee and west Texas and pay $6.50 for the same level of expertise. Now, under NAFTA, you can go to Mexico and pay 60 cents an hour for that same expertise".

Mr. Brewin: It is five cents in the Dominican Republic.

Mr. Riis: Or five cents an hour in the Dominican Republic as my friend indicates. This of course is the next extension of the NAFTA agreement.

The student said: "Mr. Riis, unless you are crazy, if you are interested in maximizing your profits and have a choice of paying $18 an hour, $12 an hour, $6 an hour or 60 cents an hour where would you locate your plant?"

I responded that it seemed obvious to me that I would be encouraged to locate it in Mexico. Of course that is the motivation behind at least 2,000 corporate decisions to move and open plants in the Maquiladora zone in northern Mexico and employ 500,000 people there. Salaries average about 60 cents an hour.

As Ross Perot said, as soon as the North American free trade agreement is signed by Mexico, the United States and Canada, we are going to hear this massive flushing sound as the jobs are flushed from Canada and the United States into Mexico. This young woman called Kate Turley said that she believed in Ross Perot's view of the issue.

I want to ask my hon. friend from Mississauga this. If he was going to open that plant and he had the choice of paying employees in Canada $18 an hour or paying employees with the same level of expertise and training 60 cents an hour in Maquiladora zones in northern Mexico, where would he locate his plant being the entrepreneurial person that he is?

Mr. Blenkarn: Madam Speaker, I want to give my friend a little lesson.

I was at the opening of a further extension of a plant by Astra pharmaceuticals in my riding yesterday. I had a chat with the CEO of that company whose head office is in Sweden.

It also has an office in Mexico. The company puts pills together in Mexico but it does not make any chemicals there because it cannot find any trained labour. It cannot find the equipment.

It has to put the stuff for the pills into a pill making machine that pumps the pills out in Mexico. All the stuff that makes the pills possible is manufactured in Canada or Sweden. It is not manufactured in Mexico and probably never will be.

He said: "What we are is a highly competent technical business. Therefore we have to have the best expertise possible. There is no way that you could possibly operate our business in a place where you did not have a level of competence that would make it possible".

I want to say to my friend, if you have a job that can be done by any jerk who has no education and pay him $18 an hour in this competitive world then you have a problem. If you have a job that must be done by someone who has confidence, who can understand a computer and run robotics, who can handle things effectively and efficiently you had better hire the best highly trained labour you possibly can.

Labour is not the cost in these things. In good, well-organized plants, labour represents about 10 per cent of the cost at the most. You can get your labour for 50 cents a day in south China or Bangladesh. Mexico is expensive. It costs about $2.33 an hour. Mexico is a high labour place in comparison to the Bangladeshes of this world. If one wants really cheap labour then one goes to a place where one can get really cheap labour. However, Mexico is not that kind of place. Mexico is a place where labour costs are expensive if one has to have any degree of technical capacity. The other facilities that go along are continuously more expensive.

• (1705)

We have a company in my constituency called Sissons that currently is in the business of building auto parts.

Mr. Riis: At $2 an hour?

Mr. Blenkarn: I want to tell Nelson this. We have a policy in this government with the Minister of Indian Affairs and Northern Development where he will sponsor someone to open a plant in an Indian reserve and he will actually pay all the labour costs. It will not cost you a nickel. However, I do not see people flooding Indian reserves to open plants.

The reason is this. One must open a plant where one has competent people and competent equipment and competent facilities. One may get all worked up about some poor Mexican who needs a job—he probably does—but remember that the jobs we have to have in this country are jobs that are not untrained jobs. They are jobs for people who are competent and capable. We have to build a market for our competent and capable and highly expert material.

Mr. Riis: Are you saying Mexicans are not competent? Where have you been in Mexico, Tijuana? They have universities in Mexico.

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, I would like to ask a few short questions of the member for Mississauga South who is the self-appointed expert in Canadian economics 101. At a given point the member, among all the other points he was making about the Conservative economic program since 1984, took pains to explain that the GST was a great tax.

I have a few short questions for him as a member of the public accounts committee. He has referred to other countries that do have a GST but only at one level while we have it at multiple levels. If the GST is such a good tax then could he explain to me why the old tax, which was not a good tax and that needed improvement, needed 1,500 people to collect while we now have at Revenue Canada 5,600 people collecting the new tax. Will he explain that?

Madam Deputy Speaker: I apologize. I will allow the hon. member to answer that one question. There are only 45 seconds left in the 10-minute period of question and comment.

Mr. Don Blenkarn (Mississauga South): I do not for one moment say that the way the GST is presently operating and running is nearly as smooth or effective or competent as it should be. That is going to take some time for our people in the Department of National Revenue to organize. There is no question about it. A tax system that taxes every trade transaction in the whole production system requires more people to follow it up than a tax system that taxes only once at the manufacturer's level. However, the fact is that that type of tax system is fairer and more organized to the benefit of the country than any other system. The VAT system we have is a system that is a transferable tax like all other VAT systems but it takes the tax off of our manufacturers and allows us to export our goods to foreigners without the imposition of our commodity tax. No other system of tax allows that.

• (1710)

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I am pleased to rise today to participate in this debate on a motion put forward by my colleague:

> That this House condemn the government for policies which have decimated the economy forcing company closures resulting in job losses for Canadian workers.

I want to talk about the experience of northwestern Ontario over the last number of years where we have seen community after community decimated by the economic realities in part caused by the federal government.

Let me first start with the community of Atikokan which is a remarkable community in my riding that in 1979-80 saw 1,100 highly paid mining jobs disappear when the two iron ore mines closed.

Following that closure, the community struggled. Prior to the closure, the community worked with an adjustment committee to begin the process of looking for new opportunities. Some were forthcoming and some came and went.

We got to the point a little over two years ago where the community had rebounded. We had two wood-based companies. Proboard Ltd. was a manufacturer of a type of particle board panelling. There was also the Atikokan Forest Products Division at Sapawe down the road about 30 miles. It was a sawmill.

One will remember that around that time the policy of the federal government was to impose a 15 per cent tax on Canadian exporters of softwood lumber. At the same time our dollar was high in relation to the American dollar. Let us remember that the vast majority of our trade always has been and probably always will be with our neighbour to the south. Irrespective of the free trade agreement or the North American free trade agreement,

that is where the big market is and that is where we need to go to sell a lot of our goods and services.

Two years and a couple of months ago the unemployment rate in the community of Atikokan was 80 per cent. Why? Because of softwood lumber, high interest rates and the high dollar. Both mills were shut down.

The community pulled together. Management, unions, the municipality, the school board, the social service agencies and everybody got together along with their provincial and federal members of Parliament.

Howard Hampton, the provincial member for the Rainy River riding, then the Attorney General for the province of Ontario and a New Democrat, went to bat provincially. I, on the other hand, got in touch with senior ministers in the Conservative cabinet here in Ottawa who have responsibility for economic matters, employment matters or what have you.

I can say very accurately that the only help that the people of Atikokan got was from the NDP government of Ontario. Those two mills exist today because of the assistance they were given. It was not any giveaway or corporate welfare but innovative financial help that allowed those two facilities to exist today.

One of them still has a rocky road ahead of it. It is up and down in terms of the operation but it is still there. Atikokan Forest Products Division is expanding because of the turnaround in softwood lumber since the 15 per cent tax was dropped.

One of the key elements in both those situations was that the unions and the companies and the Ontario government worked in partnership to develop a plan of action. That would not have happened under a Liberal or a Conservative government in Ontario.

• (1715)

Let me go to the other end of my riding that is the community of Thunder Bay itself. Actually parts of it are in Thunder Bay and outside my riding. We have another situation where one pulp and paper mill shut its doors and the process of stripping the equipment was begun. That is Abitibi's Thunder Bay mill. We had a second mill in crisis. The community was in danger of losing yet another mill.

I want to talk about the workers in Thunder Bay who made some tough decisions. Perhaps if the Liberals would listen to me as opposed to wondering about the members in the House we might be able to get on with things.

The situation that exists in Thunder Bay at the paper mill was that Abitibi basically said: "We cannot afford to keep this mill any more. We are going to sell this mill and if we do not get a buyer we are going to close it". This is again a case where a community pulled together. The employees of the mill, both the management employees and the various unions that represent the workers, got together with the province of Ontario.

Through long, hard bargaining they first worked out an agreement between the management employees and the union employees to decide: "Yes, we want to buy the mill. We the people of the community and we the workers want to buy that mill". Whether it was management workers or union workers, they wanted to buy the mill. The province of Ontario came with them and said that it would assist them. It said: "We will provide you with a combination of loans and loan guarantees to allow you to take this step".

It was not easy for the workers. They knew that even if they did this some of their colleagues would not be there working beside them because they would have to reduce the numbers. As a community we lost because of that. They also recognized that they would have to compress their wages and in fact take some cuts but they were prepared to live with that.

However, this is again an example of where groups worked together: the workers, both management and union; the unions; the province; and Abitibi-Price which agreed to sell the mill to the employees. This mill is the first ever, 100 per cent employee owned pulp and paper mill in Canada. Any of the other mills are a combination of employee ownership with somebody else. It is a success story in the sense that they work together.

There are three similarities to these two projects. First, it would have been impossible without the province of Ontario and the assistance that it provided these groups. Second, it would have been impossible without the co-operation of all the players. Third, in neither of

these projects did the federal government lift one finger to assist these plants in northwestern Ontario to survive.

We tried employment and immigration and FEDNOR. They wrote nice letters long after the fact but that is all they did in response to the needs of the community.

The crisis is not over. Just a couple of weeks ago Canadian Pacific Forest Products announced that it was shutting down one of its kraft mills in Thunder Bay. Up our way it is not like GM closing a particular plant when we talk about plant closures. This is because in a large number of cases it carves off a chunk of the mill. It is really two, three or four mills in one. It closes one of those mills but the other ones keep operating. It is not the same as a whole factory having the doors locked.

It is another 350 jobs. That actually brings it up to, in terms of the number of jobs lost in and around the community of Thunder Bay in the pulp and paper sector alone, about 1,500 or 1,600 in the last two years. On top of that, the grain industry and the transportation industry have been decimated because of the shift of grain to the west coast. We used to handle 60 to 70 per cent of the export grain. We are now down to around 30 per cent.

• (1720)

Can-Car, which in a year or so will be doing great thanks to the Government of Ontario for ensuring that the TTC allocated its contracts to an Ontario plant rather than letting them go offshore, will have between 800 and 1,000 people working there for the next 10 years.

It is crisis after crisis and the federal government has done nothing to effect a positive change in northwestern Ontario. Even though for years it has recognized the inequities in the Western Grain Transportation Act it has refused to eliminate the distortions that make it cheaper to send grain to the west coast. We would rather leave it to the marketplace. Let the market decide which way the grain should go. We would be quite prepared to accept that. The federal government has done nothing to assist the people of Thunder Bay and northwestern Ontario.

I think it is appropriate to quote from an opinion piece called "Viewpoint" which appeared in the Thunder Bay *Chronicle-Journal/Times-News* on Saturday, April 17. This is another part of the element and it fits into the debate we have been having about the Canada-U.S. Free Trade Agreement and the North American free trade agreement between Canada, U.S., and Mexico in terms of decision making. For years most of our employment in northwestern Ontario was locally owned. In fact, Abitibi Provincial is now coming back under local ownership because the employees decided to buy it, but the rest of our major employers are controlled elsewhere.

The grain companies are based in western Canada, those that are part of the pools, or in the case of Cargill elsewhere in the world. Can-Car is owned by Bombardier based out of Montreal.

An hon. member: Soon to go to Mexico.

Mr. Angus: Hopefully it is not going to Mexico. It cannot seem to get contracts in Mexico even though it has a plant there. The control is elsewhere. Abitibi is controlled out of another part of Canada. Canadian Pacific Forest Products is also controlled out of Montreal. It does not matter where it is, it is the fact that the control is not local.

Let me read the article written by Robert Zobatar who is a forest industry worker. It is entitled "A blue collar insider's view of wood woes. Companies are placing undue blame on unions". He says:

> For the past 23 years I have earned my living in the pulp and paper industry. I have worked at Abitibi's pulp mills and the woodlands operations of Abitibi, Canadian Pacific Forest Products (CPFP) and Buchanan Forest Products. I have met and gotten to know hundreds of workers, some unionized and some not, young people and old people. I have experienced first hand the attitudes and work ethic of these people from days gone by to the present. I can safely say that the workers and the unions are not the unyielding, radical, unwashed masses that big companies such as CPFP try to make us out to be.
>
> In their most recent press releases, CPFP suggests that next to economic and market conditions, the closure of the softwood pulp mill is the result of the union's unwillingness to accept proposals for modified work practices. Poppycock. In the real world, you don't receive something for nothing. CPFP may be selling softwood pulp for less than it costs to produce it, and suffering a loss, but the fact remains they are not giving it away for free. They are still receiving something for their product. By the same token, unions and workers are not about to give away concessions and receive nothing in return, i.e. job security.
>
> Behind the scenes, officials of these big companies suggest to the workers that we can't see the big picture, we don't understand things, and we are ruining the companies. Well, most of us stayed in school long enough to learn to read. We are quite aware of the ever-expanding global economy, the world economic crunch, the information era, and the need for change. We are also very much aware of such things as corporate raiding, buy-outs, cover-ups, profit margins, bottom lines, and shareholders—in general greed. If workers really are narrow-minded, then companies such as CPFP are doubly so. They can't see past profit and loss and shareholders. When the more community-involved Great Lakes Forest Products sold out to

CPFP, such things as the human factor and community spirit began diminishing and are now on the verge of extinction.

Economic conditions aside, why is the company in such dire straits anyhow? They were equal partners in negotiating the existing union contracts, and didn't sign those contracts thinking they couldn't afford them. Could there have been some poor management decisions, a lack of foresight on mechanization, poorly done studies on some of the new technology they so heavily invested in? Heaven forbid, they should admit to such mistakes.

I have seen this company spend many millions of dollars on every new piece of forestry equipment that came along (machines that can cost a $1/4 million or more) only to discover a few years later that it is obsolete, doesn't perform to expectations, or destroys the regenerative environment.

I have seen many seasoned bush workers offer advice on how to try and make something work, only to be shunned by a young pup foreman fresh out of forestry school whose only concern was to assert his authority over the worker.

When CPFP sold their stud lumber mill last year, I watched as almost to the day that the last piece of equipment was being removed from that mill, Hurricane Andrew struck in the U.S., and the price of lumber skyrocketed. Who did they sell that equipment to? Their arch rival, Buchanan Forest Products, who are now making windfall profits with it.

What did they do with the proceeds of the sale of equipment from the wafer board plant and the stud mill? They received large amounts of grant money to build those plants and also modernize the Dryden and Thunder Bay pulp mills as well. Remember all those headlines in the 70s when things were going well? Have we ever seen headlines about returning money to the government when they sell this equipment, or about helping laid-off workers? No! I suspect that such money will be squandered on the next bit of flash in the pan technology that comes along.

I can only hope that while this company is looking so closely at what the unions can do for it, it is also looking closely at what it can do for itself. I know that with the impending expiration of mill and woodlands contracts, the unions, in view of recent events, are seriously considering the way of the future. Time will tell what comes of it all. Perhaps if we had all paid more heed to Alvin Toffler in 1975 when he published his book *The Third Wave*, we would have been better prepared for the mess we are all in today.

• (1725)

There is no question that the economy in northwestern Ontario is hurting. It is not just the visible mill jobs. It is not just the visible jobs in the elevators. It is not just the visible jobs at Port Arthur shipyard, which is being drastically downsized as a result of the policies of the federal government to get us out of the shipbuilding and ship repair industry as a nation. There are also hundreds of spin-off jobs that existed because of those main jobs being in place.

There are also smaller companies that are not as visible, that are off the main track, that have gone away, that will not come back, and that cannot come back because the product they produced is now being produced much cheaper elsewhere, whether in the southern United States or in Mexico even today let alone when the North American free trade agreement comes into effect.

We have to do better than just look after those workers who have lost their jobs by providing them with training. I recognize that there will be restructuring. A society that does not change is a dead society, no question about that. It is how we do it. It is what things we put in place to protect the people, to protect the industries where necessary. We have to keep in mind that these are all people, they have families, they have children, they contribute to the community, they are members of our church or our service club, they are everybody and we all have a responsibility.

We cannot just leave things to the marketplace to decide. There needs to be a role for governments to ensure the orderly progression of whatever restructuring is necessary in society.

I appreciate this opportunity to participate in this debate today. I just wish the government were really listening.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I appreciate the remarks of the member for Thunder Bay—Atikokan. This is clearly a world of change and he will realize that when he travels, if he does, to the southern United States. Where they used to have cotton fields they now have forests of pine that grow to pulpwood size in less than 25 years and are harvested by automatic machinery so that the lumber or wood is never touched by human hands. Of course we in northern Ontario have the same type of machinery but we do not have quite the same easy access to the wood supply that technology has given them. Our paper, while it is first class, is in very tough competition with other paper sources in the world and other wood products in the world.

• (1730)

I was wondering if in the restructuring of companies in his area whether he has a place that takes advantage of the changes we have made in the Income Tax Act that enable people to invest up to 10 per cent in the ownership of a company by using their private RRSPs. That means that they can in effect invest in their own company without paying income tax on the investment. In his area had he been promoting that rather beneficial arrangement for the assistance of people in developing small businesses and small business ownership and family business and for making capital available for people to build their own job opportunities?

Mr. Angus: Mr. Speaker, I want to thank the member for Mississauga South for his question.

I will respond in two ways. I would be very nervous about encouraging anybody to put at risk money which is designed to ensure that they have an appropriate income at the time they reach their retirement age. By diverting even a part of their RRSPs in a venture is not something I would go out and campaign for. It is obviously something that each individual would have to look at in terms of their own financial circumstances.

I can say we are very frustrated about the work being done by my colleague, the member for Sault Ste. Marie, in trying to convince the federal government to match what Ontario has done. This was in terms of allowing individuals who purchased shares of their companies to consider them as tax deductions. It is much like what was tried for Algoma Steel. My understanding is that it cannot be done and the government has refused to bring that forward.

Here is the other point. I discovered this after a colleague of mine was given notice that the job he had for 17 years is gone. He works in one of the grain related industries. The dilemma he now faces is he knows he is going to get severance pay and quite a decent package. He also knows that under the UI Act passed by this Parliament and moved by the Conservatives that that severance pay will be treated as earnings for a prescribed period of time. He had wanted to take that money and invest it in a small business that would provide him with employment. He is in his 50s. We all know the reality of workers at that age. They are not as employable as workers at age 45, 30 or 25 because of the length of time the employers see they will get back from their investment. He recognizes that but he is caught between a rock and a hard place.

He knows that if he takes that $20,000 and puts it into a small business he will have no income because he will be ineligible for unemployment insurance because the assumption is that the money will be used to replace unemployment insurance for up to 52 weeks. It is a real dilemma and it has been created by this government. Even though I know that was not the intention, it has actually worked against what the member has been suggesting, which is getting more people to invest in small business in those kinds of ways.

• (1735)

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I listened to the hon. member's speech. I wish the hon. member for Mississauga South had been a little more pointed in his question. I will try to make the point perhaps a little clearer.

The hon. member knows from the speeches we have heard today the employment loss in Ontario has been the gravest of all the provinces at 18 per cent or 185,000 jobs lost in the manufacturing sector.

I think he must recognize the gravity of that problem. I am sure he also recognizes that these jobs are not coming back. As he knows, Ontario is saddled with an NDP government which is driving investment out of the province.

We know that the economies in British Columbia—

An hon. member: They are driving us crazy.

Mr. Milliken: I was not going to go that far. He knows that jobs are being created in British Columbia and Alberta at the present time because those governments are much more enlightened. One of them is an NDP government I admit. It is more enlightened than the Ontario government, which seems to be unusually doctrinaire in its approach to social problems in our province.

I know he is a friend of the premier. There is a colleague of the premier in this House. I have suggested that the premier receive tutelage at the knees of some of the hon. members here. I would not want to suggest that the hon. member for Thunder Bay—Atikokan had been here long enough to tutor the premier of Ontario.

Certainly the premier would have benefited from his advice.

I wonder if he would agree with me that the appropriate advice for the premier is to get out of office. He is driving investment out of Ontario. He is stopping job creation in Ontario. In fact, if we had any other government in Ontario today, Ontario would be out of the recession.

I think the hon. member for Mississauga South will agree with that statement. If that is so, would he not agree with me that the best advice he could give the premier of Ontario is to call an election and put the people of our province out of their misery by allowing them to get rid of the government that is keeping them in the misery that the Tories helped create?

Mr. Angus: Mr. Speaker, I am not surprised that the hon. member for Kingston and the Islands would raise the question in that sort of tone.

An hon. member: Direct way.

Mr. Angus: Direct way. I do not agree with him at all. Let me make it very clear. I am quite supportive of Bob Rae and the Ontario cabinet and caucus.

Mr. Harvard: That's dangerous, Iain.

Mr. Angus: I will tell you why. First of all, when the hon. member's party was turfed out of office, it was spending like drunken sailors at a time when the economy was booming. It should have been putting money away. That is why, when the books were opened, we saw the billions of dollars that Ontario was in the hole. When David Peterson went around to people during the election saying: "We have money in the bank, folks," that money in the bank disappeared pretty quickly.

The second point I want to make—

Mr. Milliken: Spending like Bobbie Rae.

Mr. Angus: One of the things the Ontario government did after coming into office was recognize the impact the recession was going to have.

It used public tax dollars to protect existing jobs and slow down the outflow of jobs. It also used public money to invest in new projects, the anti-recession program. I can tell the member that created a lot of jobs throughout Ontario. I know that in northwestern Ontario it helped a lot of communities.

Mr. Milliken: Six hundred jobs.

Mr. Angus: No. I do not know the number but at the very least 600 jobs were created in Thunder Bay.

The member is wrong. The member should stop listening to the stuff that is coming out of Queen's Park from his provincial colleagues and start looking at the figures. He should look beyond the rhetoric to find out the kind of good work the Ontario government has done.

Quite frankly if there had not been an NDP government in Ontario we would not have had the assistance to Algoma Steel in Sault Ste. Marie. We would not have had the package for Kapuskasing and we certainly would not have had the help that we got in Sapawe and Atikokan. Provincial Papers would be closed today and not owned by its employees.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Energy, Mines and Resources and Minister of Forestry): Mr. Speaker, I am very happy to speak this afternoon to an opposition motion to the effect that the federal government, my government, has done very little for the economy and that it sat idly by, to use the words of my colleague from the New Democratic Party, without any attempt at strengthening the economy.

• (1740)

I think this is a totally gratuitous, ludicrous and unfounded statement. All in all I would say it could be described as a typical NDP statement. Let me explain. History shows, and we have the figures to prove it, that when we came to power in 1984, we inherited an extremely high deficit. At that time the Prime Minister of Canada stated that one of his government's priorities would be to bring down that deficit, to help small businesses get back on their feet, and to get rid of any overlapping that existed, which would make it possible for Canadians to thrive in their country and abroad.

What did we do? First we tackled the deficit which was out of control; the government had been spending more than it was taking in and the debt was increasing dramatically. During the last few years we went from an operating deficit to an operating surplus. Except for the debt, one could say that our government, under the responsible leadership of our Prime Minister, has

succeeded in radically containing the operating deficits and replacing them with operating surpluses. Unfortunately, my opposition colleagues, the Liberals in particular, are reluctant to admit that our government's policies have produced very positive results.

Since 1984 both the Liberal and the NDP opposition have questioned the various programs and bills, even the various budgets tabled by our both past and present Ministers of Finance. Each time they called it a catastrophe. Each time a new budget was tabled in the House, they said it was worthless because Tory budgets mean economic chaos for Canadians. Businesses will go bankrupt or will be shut down and jobs will be lost.

But when we look at what has happened since 1984 and we study figures carefully, we realize that we have helped the business sector more than before. How can we do that? Of course, the government is not going to set up businesses. I see my Liberal colleague nodding in disagreement but if he looked closely at what has happened and considered where investments were, he would see the tax breaks and the interest rate cutbacks companies have benefited from. In 1984 for a businessman who wanted to start a company, the commercial rate under a Liberal government was 12 per cent. Now, in spite of the criticism from the Liberal opposition, the commercial rate is 5.35 per cent. You can play politics. You can say whatever you want. One thing is for sure, if you have the choice of paying a 12 per cent interest rate on a million dollar loan or 5.35 per cent, any Canadian in his right mind, maybe with the exception of a Liberal, will choose to pay 5.35 per cent. That is how the federal government, the Prime Minister and our Ministers of Finance, have wanted to operate since 1984.

On one hand they tell us: You're helping companies at the expense of workers. But without companies, there are no workers. It is an equation which is fairly simple and so logical that it should not even be questioned.

On the other hand we were told: Now we have the companies but no workers who are experienced. So we should give them some training because whether we like it or not, we are open to global competition and to foreign markets. Canada is an exporting country and it needs some foreign market. The opposition told us no, that we must stay home. They were against the free trade agreement with the United States. Now they are fighting against the agreement with Unites States and Mexico. They forget to mention one thing to Canadians and again it is very important and has no political colour: Our trade surplus with the United States was $17.5 billion last year which means hundreds and thousands of jobs in our country.

• (1745)

This means that jobs were saved, jobs that brought tax revenue to the government and gave our small business people in each of our municipalities and our respective ridings a living because people were able to buy and to pay. Our workers' income had an added value that was extremely important because the inflation rate last year was 1.5 per cent compared to the average of 8.8 per cent under the last Liberal government.

Figures do not lie; the figures show that the Conservative government of Prime Minister Mulroney with its finance ministers and various ministers with economic portfolios has taken concrete action to give Canadians better opportunities in the world economy.

The Conservative government is not the one saying that Canada will have the highest growth rate next year; it is the OECD, all industrialized countries that say Canada is doing well and working to overcome its financial problems created by a previous government.

We see what that does, the massive intervention of a government trying to create a parallel economy, a fictitious economy. Remember, and who does not remember—I see my colleague from Mississauga South and I am sure that in his riding he had problems in 1984 and before—when ordinary people wanted to borrow to buy a house. Interest rates were around 20 per cent; today you can get a mortgage at 9 or 10 per cent or so. This means taxpayers save 10 per cent in interest. The 10 per cent saved on a mortgage loan can be used for consumer goods. Consumer goods mean production, which means job creation, business and available capital.

I do not think that Canadians are not intelligent. On the contrary, they have been able to set themselves up in business in recent years not only in their respective provinces but also internationally. Looking at companies

like SNC Lavalin and Bombardier, which are leaders in our economy, we can say one thing: We need foreign trade in order to survive.

Not just foreign trade comes into it because as we go down to more concrete levels in our local economy we realize that our government has done a lot since 1984. Of course we have not solved everything but we have done an awful lot to revive the economy. For example, take the number of unemployed workers in 1984. When something did not work the Liberal government created a Crown corporation and all sorts of programs but in fact these were not necessarily long-term paying jobs.

I am looking at the statistics here, because we are often criticized for losing hundreds of thousands of jobs while the Conservative government did nothing. For example, in April 1992, 12,173,000 people were employed and in 1993 there were 12,376,000, an increase of 203,000 in a year. That is not so bad for a government which they say is doing nothing for the economy.

Nearly 163,000 full-time jobs were created in a year. In every Question Period, we hear the opposition say: "It is disastrous. Companies have closed down and jobs have been lost because of free trade with the Americans or free trade with Mexico." It is getting very hard to answer the opposition because when we talk to them individually, most of the sensible members in the Liberal Party tell us that, yes, a free trade agreement with the United States is essential and vital. Every one of them tells us that markets are going global and that we cannot live in isolation. Of course for partisan political reasons they can say that they want to renegotiate the agreement, reopen it and impose Canada's position.

They do not know what renegotiation means. Furthermore, I would point out to everyone listening to us that under the last Liberal government, relations with the Americans were extremely strained. We lost hundreds, even thousands of jobs because of that.

• (1750)

One of the daily tasks of our Prime Minister was to rebuild the confidence of the Americans in our country, to reopen markets which had been lost by the Liberal government, to try to allow Canadian businesses to export and create jobs for Canadians. That is what we did and we can see the results today.

When we do business with our main partner, the United States, we no longer need to refer disagreements to the GATT where decisions can take three, four or even five years. We have a settlement mechanism within the free trade agreement and this has proven to be most helpful for Canadians. Look at our pork producers, for instance, and we are now working on the softwood lumber case.

I heard NDP members say that we did not do anything for the forest industry, for the pulp and paper industry. They know very well that we are going through a market restructuring and that Canada is no longer alone on international markets. Competition is fierce.

That is why, accompanied the Minister of Forestry, who is now in Europe defending the sound management of our forests accompanied by the Minister for International Trade and with the Minister of Employment and Immigration, who more than tripled and even quadrupled the budget for labour training, we are giving ourselves development tools that are very interesting.

As evidence of what I am saying, only two weeks ago the Minister of Employment and Immigration was in my riding. He announced financial assistance of $300,000 to a co-operative of forest workers who bought a business, a sawmill, at a cost of $1,500,000. They will maintain 70 jobs and open new markets.

Do you know what is interesting, Madam Speaker? A part of their new market is directed toward American markets and will reach European markets. Contrary to some prophets of doom on the Liberal side, but particularly on the NDP side, they are not scared of markets, of competition. They mostly trust their ability as workers to have in their community a profitable industry with quality products.

These are ordinary people who did that and they did it with pleasure. They did it because it was an economic challenge to keep their region strong, to allow some people to get back into business and to allow others to start new businesses.

Very shortly yet another announcement will be made in my constituency concerning an investment of $400,000 going to a sawmill, for a total of $2,800,000. A dry kiln will be built. Why a dry kiln? Because we are exporting a

lot of lumber. This particular sawmill exports a lot of its lumber, not to the Canadian market, but to foreign markets, to the United States and Europe. We have high quality phytosanitary measures and our businesses are adapting to new market conditions.

Unlike the opposition parties, the companies do not rest on their laurels and say: "Boy, everything is wrong. It is even worse than before. Nothing has changed". Quite the opposite. They seek new business opportunities because they know that in order to succeed they need to be productive and to compete not only with other Canadian or Quebec businesses but also with every international company in their industry. That is the key to success and what we have been successfully promoting since 1984.

I see my colleague from Richmond—Wolfe is here. Even if it is wrong we often say our friends from the Bloc Quebecois, our friends from the Liberal Party, our friends from the NDP. I call them friends because they are members of Parliament, but besides being parliamentarians we have nothing in common.

The hon. member for Richmond—Wolfe told me he worked hard to help, for example Domtar in Windsor which got a $40 million investment; in Disraeli $200,000 was given to a company; the RCM received $1 million through the disadvantaged areas assistance program. The same thing was done in our part of the country. The federal government negotiated Canada-Quebec and Canada-Ontario agreements. In the end, federal-provincial agreements were reached in every major economic sector.

• (1755)

We have done a lot, and we did it not just by excessively increasing government expenditures. We did it within our ability to pay, within our ability to do things without borrowing from our children's future and the future of all Canadians. Above all, we did it jointly with all the provinces and with each and every one of our partners.

I do not understand why the NDP refused to support the free trade agreement which was extremely important for Quebec and the other provinces which export to the United States. Neither do I understand why the NDP and the Liberals refused to support drug bills which were extremely important in terms of research and development, in terms of highly skilled jobs and in terms of specialized jobs.

Similarly, I cannot see why our colleagues from the NDP and the Liberal Party voted against the unemployment insurance reform bill which allowed the Minister of Employment and Immigration to take sums of money and use them for training instead of simply encouraging workers to look for a job.

These last few years, they have refused to co-operate to stimulate the Canadian economy. They have refused to do so because in their view, it does not matter if you spend too much, it does not matter if you spend more than your operating budget since it is only somebody else's money anyway.

Today for example, when we look at our public finances, we are happy and proud to be able to say that revenues are now higher than expenditures. That is what a responsible government is all about. That is why the Richmond—Wolfe, Champlain and Mississauga ridings, and even ridings of members of the opposition, can obtain real economic action which benefit the workers and the businesses and bring in revenues.

I almost forgot; now that I see him, I remember my colleague, the member for Pontiac—Gatineau—Labelle whose efforts were focused on forestry. He worked extremely hard to push forward at least three forestry projects with federal investments in sawmills totaling over $4 million. That amount of $4 million will generate $16 million in investments will create 350 direct jobs in Pontiac—Gatineau—Labelle and who knows how many indirect jobs. We did that although the opposition, Liberals and New Democrats alike, would want the Canadian people to believe that we did nothing. Those are real achievements rather than just empty rhetoric as they often indulge in.

The opposition claims that the members on this side are silent; they are not silent. They are working to solve issues and economic problems in their respective constituencies. We can enumerate every one of them as well as the businesses which have been helped. We can even name the workers who have been helped and the programs which were implemented. Finally, we can say that in spite of the unpopular policies implemented by our government since 1984 there is hope in the eyes of Canadians. They know that we are a responsible government which makes difficult decisions and that we will be re-elected.

If I were a Liberal I would be getting concerned because the polls show that it is indeed the case. If I were a New Democrat I would not worry however, because their popularity is high before an election, but they always fall back where they belong come election time. I would worry if I belonged to the Bloc Quebecois, because they are the ones who will most likely disappear.

In the last nine years the government formed by the Progressive Conservative Party was able to give a new life to the Canadian economy. It was able to do so not only by putting money into our businesses, but by cleaning up our institutions and by managing in such a way that would make any Canadian venture a profitable one. Indeed, it is hard not to follow the example of the federal government because our revenues are higher than our expenditures and it is the net profit which benefits Canadians as a whole.

This is why I am proud to belong to a party which believes that the economy is not built by "program creators" as the Liberals did, but through joint action and harmonization by the economic sector, the workers and the governments. This is what puts our country among the ones which will experience the highest growth rate in the coming year.

Madam Deputy Speaker: It being six o'clock, it is my duty to inform the House that pursuant to Standing Order 81(17), proceedings on the motion have expired.

[*English*]

Pursuant to Standing Order 30(6) the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

VIA RAIL

REMOTE ROUTES

Mr. Brian L. Gardiner (Prince George—Bulkley Valley) moved:

That, in the opinion of this House, the government should hold full public hearings before a final decision is made on the status of VIA Rail's remote routes.

He said: I am pleased to rise in debate today on an important issue to the people of Prince George—Bulkley Valley and northern British Columbia. The issue is the future of VIA Rail's Skeena service that runs from Prince Rupert to Prince George and through the Robson Valley on to Jasper.

The focus of the debate is my private member's motion that calls for the government to hold public hearings before deciding on the future of VIA's remote services which includes the Skeena. Before giving some background to the motion I want to say—I think I have checked the record—that this is the first time that Parliament has debated VIA's remote services to this extent, I want to thank the members who are here tonight to participate in this debate for that involvement.

Members will remember the announcement by the government in October 1989 to cut VIA services across the country by 50 per cent. Many services were eliminated completely and others were cut back. Perhaps the most notorious cut by the government was the decision to drop the fabled train called the Canadian that provided service on the Canadian Pacific route, often referred to as the southern route. This was a classic train noted all over the world and this government cancelled it. One will remember that we were to get a private service in its place. That is something yet to happen.

The government then allowed VIA to continue its northern route that was cut back to three times a week in either direction. Work has been done to improve this service and I will comment on that a little later on.

At the same time as these changes were made the government announced that eight so-called remote services operated by VIA would be reviewed by the government. I quote from the minister's release of the day: "The government will be reviewing the transportation needs of the truly isolated communities along these remote routes to determine whether more cost-effective means of access could be introduced". The future of these services was left in the hands of the Minister of Transport.

The remote services were The Pas to Lynn Lake, Wabowden to Churchill, Winnipeg to Churchill, Sudbury to White River, Senneterre to Cochrane, Montreal to

Senneterre, Montreal to Jonquière and, of course, the Skeena.

I would like to focus my comments on the Skeena and then make some reference to general comments on the remote service. The Skeena operates between Prince Rupert, Prince George and Jasper three times a week. In the past, some time ago, it was daily and at one time served Edmonton. Conventional equipment is used and it passes some of the best scenery available for rail passengers in Canada, or in the world for that matter. The trip has been written up by foreign writers as one of VIA's best kept secrets. It even hosted CBC's *Midday* program at one time.

I have travelled on the train quite often and am always impressed by the trip, the terrific staff and the opportunity to see my riding and the rest of northern B.C. from a different perspective. The staff on the train have always been very helpful and are always willing to pass on their views about the need to keep the service and how to improve it. They are very dedicated to good passenger rail service.

Statistics released at the time of the cuts to VIA pointed to an expensive run but also one that, when running on a half decent schedule, generated enough traffic to be in the top third of all VIA trains and also the top of all of the remote services.

• (1805)

However the cuts to VIA affected the service's awareness to people. The current schedule of 3 a.m. departures from Prince George—some would question whether Prince George is on a remote service—did not make it popular with travellers. Connections in Jasper to the Transcontinental service are non-existent and are not an encouragement to travel to points east or to return from the east by train. The three days a week service is not frequent enough to give travellers the automatic knowledge of when the train will be coming or going.

All that combined with a telephone service that is not always easy to use has led to a decrease in traffic although there are still times when the train is very busy.

Following the government's decision to study the remote services I continued to impress upon the government the need to make a positive decision on VIA Rail. I kept the pressure on three different transport ministers to make a final decision that recognized the need to keep the Skeena running. At times the government was confused about the direction to take. Letters often contradicted public statements and the decision-making process seemed to drag on, perhaps deliberately.

For example while the decision to review the service was made in October 1989, as of July 1992 the minister was still saying that a decision had not yet been made. In fact a letter which I have just recently received from the minister says that cabinet still has not had time to actually review the file, but more on that in a moment.

In order to consult with local residents along the line I along with the member for Skeena hosted a public meeting in Smithers, B.C. on September 30. We heard comments from tourist operators, local governments, chambers of commerce and people who work on the railroad itself. They all spoke about the need to keep the service, to improve the schedule and to develop a comprehensive marketing campaign. A clear consensus emerged that we had to keep the pressure on the government to make a positive decision.

Also, with the hon. member for Skeena I want to extend our thanks to our party's transport critic, the hon. member from Thunder Bay—Atikokan. He has been outspoken on the questions of VIA Rail and the disaster we now have in the country and with all the troubles in the airline industry.

Last July there was some success when the Minister of Transport visited Prince George. I issued a challenge to him to keep the service going. The minister responded by saying as reported in the *Prince George Citizen* on July 25, 1992: "As far as the Skeena is concerned it is still a decision of CN Rail and the Government of Canada to keep the Skeena running". He went on to say: "I am committed to see it continued".

I praised the minister and the government for this decision and was hopeful that it would be finalized and plans for the service could be developed to improve its viability and attractiveness to the travelling public. Since then we have had some good news and maybe some not so good news.

Correspondence as recent as a letter dated February 11, 1993 from the Minister of Transport would seem to indicate there is still some confusion on the part of the government as to the future of these remote services. I quote from the letter: "Although the review process for

the VIA Rail remote services is complete, cabinet has not yet had an opportunity to consider the remote services file. As I mentioned in my previous correspondence"—I might add many previous letters—"I am confident that a decision will be made as soon as possible. Thank you again for writing".

First of all I think it would be opportune and helpful to the members of this House, certainly those members who represent constituencies where there are remote services, if the minister would release that report and make it available to us. I think that would go some distance in aiding all of us who are obviously communicating with our constituents, local governments and chambers of commerce on the importance of these services.

Let us settle the confusion first. In the February 11 letter the minister continues to go on about how this file is still being studied. Three transport ministers have been doing that since October 1989.

• (1810)

I want to make it very clear the Minister of Transport made a public commitment to the people of northern B.C. that the Skeena was to be continued and I hold this government to that promise. The minister cannot say one thing in Prince George and another here in Ottawa. The Skeena is here to stay.

More recently VIA Rail has announced consultations regarding changes to the Skeena. This is a bit of the good news. What is being proposed for the Skeena is a daylight service with trains running from Prince Rupert to Prince George three times a week during the day and a similar service from Prince George to Jasper also during the day.

The focus will be on the tourist potential of the train and it is very clear that Prince George, the city, and its hospitality industry will be the biggest benefactors of this change. All of the communities from the Robson Valley, McBride, to Burns Lake and Houston will also benefit from the increased travel.

The travel will be at more reasonable times. It will now be possible for people from McBride as I mentioned to go to Prince George during normal hours. It will also be possible to head west from Prince George to Burns Lake or Houston at a more reasonable departure time.

Assuming no major problems with this proposal, VIA intends to upgrade meal service on the train, add a coach, and have at least one day of good connections in Jasper to the Canadian where there are currently no convenient connections.

I should note as well that for residents of the Prince George area of northern B.C. the quickest way to travel for example to Vancouver is actually on the British Columbia Railway. This new schedule should make connections much easier with the BCR for those passengers wanting to travel by train to Vancouver.

Perhaps the most important part of the consultations from VIA Rail are VIA's plans to launch a major marketing of the service in Japan, Australia, the United States and the United Kingdom. This may be the first real promotion of the run in some time. We need the kind of promotion of the Skeena like VIA currently does of its service in central Canada.

If we had the full colour ads and the television advertising that most of us see in Ottawa and in central Canada for which VIA is perfectly in its right to do and I encourage VIA to do that, but we ask for a little fairness. If we had even a portion of that advertising and promotion revenue for Skeena clearly more people would be aware of the service. It always grates me to see the extensive advertising conducted here when there is nothing to promote the Skeena.

Even VIA's ads to promote special rates on the Canadian in western Canada do not include tickets on the Skeena. The changes VIA Rail is proposing would take effect with the April 1994 schedule. VIA says it needs time to prepare the service and to market the trip overseas.

I have already had calls to my office. Of course many people, encouraged by these hopeful changes thought they were going to happen immediately. After explaining to them that VIA feels it needs the time to change the schedule, people were comforted by that and were pleased to hear that maybe for the first time in a long time something is actually going to be done to improve and work on the service on the Skeena.

I was pleased that the president of VIA Rail, Mr. Lawless, took the time to greet the member for Skeena

and me on the change and to hear our suggestions and comments about the direction to take. It is a step in the right direction and I hope ensures the Skeena's continued operation.

There is one caution though. It was expressed to me by some residents in the community as to whether the service's new orientation would be able to attract the necessary traffic in the winter months. In other words, in improving the service to serve the expected heavier tourist use which we support, we must not forget about the regular users of the route and the system. One proposal was made to me that if there were heavier tourist potential and use in the summer it might revert to a slightly different or tailored service in the winter months.

• (1815)

It is my view that even more can be done. This government has to definitively state that remote services are not going to be cut. As I said earlier, the Minister of Transport has made a commitment to northern British Columbia and Prince George, but when one looks at the writing, he is less supportive here in Ottawa and he cannot have it both ways.

It is my view as well that the government must introduce a VIA Rail act so that the corporation can continue to operate on a more independent basis and not always rely on the blessing of the government of the day.

With regard to the Skeena, I also see a need to look at daily service as we once had and for an extension to Edmonton which VIA Rail was open to if the traffic should warrant it. We have seen what the improved service on the Canadian has done for the traffic on that run.

The upgrading and improvement of that particular service has attracted the ridership. People who are taking that train have been prepared to pay the price for it as well, which tells me and I hope will tell this House that when an effort is put into upgrading and improving the service people will take the train. The schedule must be convenient and there must be a marketing plan to back it up.

My motion calls on the government to hold public hearings before a decision on the remote services is made. There have been some consultations in northern B.C. with VIA Rail, the tourist operators and others about the proposed changes to the Skeena. Those kinds of hearings have to be more extensive, in particular to the other runs in this country where the discussions are ongoing.

The first step would be for the minister to release that report. His report to cabinet should be made public so that we have the benefit of the research and knowledge of his department and the time it has put into it. Then we could circulate the report and discuss it with the communities, the chambers of commerce, the local governments, the people working on the railroad itself. We could see the direction in which the government wants to proceed and the public could have an opportunity to have their say.

The public did not have their say when the Draconian cuts were made to Via Rail in October 1989. I think that is only fair particularly to those communities where in some cases the train is the only transportation service available. At the very least, the people in those communities should be given the opportunity to have their say.

I have fought long and hard to keep the Skeena operating and to improve its service. There is still more that can be done but to date, we have a commitment to keep it going. I am going to keep up the good fight for the people of my riding to see that this service continues.

[*Translation*]

Mr. Yvon Côté (Richmond—Wolfe): Madam Speaker, I appreciate the hon. member's arguments in favour of public hearings.

However, I am afraid I must disagree and I intend to provide a number of statistics to show that hearings would not contribute any information that is not already available.

I wish to respond today to the hon. member's motion requesting that public hearings be held before a final decision is made on the status of VIA's remote routs. As you will recall, these services were not affected by the government's decision in 1989 to restructure the VIA Rail network.

Rather, the remote services were to become the subject of a study to determine if more cost effective options existed for providing service to truly isolated communities.

Before addressing my hon. colleague's motion, I think it might be useful if I were to elaborate somewhat on the

characteristics of the remote services, so that people will know just what it is we are talking about today.

As part of its network, VIA operates eight remote services. These eight routes operate over 3,100 miles of CN and CP railway lines in the provinces of Quebec, Ontario, Manitoba, Alberta and British Columbia.

• (1820)

The eight remote routes operate between the following points, which may interest our listeners: Montreal–Jonquiere; Montreal–Senneterre; Senneterre–Cochrane; Sudbury–White River; Winnipeg–Churchill; The Pas–Lynn Lake; and Jasper–Prince Rupert.

Generally speaking, VIA operates three return trips a week over each route. The only exceptions are along the Senneterre–Cochrane route where VIA operates only one round trip per week between Taschereau, Quebec and Cochrane, Ontario, and the Wabowden–Churchill route which sees one round trip per week.

The Wabowden–Churchill service, however, follows the same route as the Winnipeg–Churchill train, which runs three return trips a week.

The Wabowden–Churchill and The Pas–Lynn Lake services operate as mixed trains. A mixed train consists of a freight train which operates on a fixed schedule to which one or more passenger cars are attached. All the other remote services operate only as passenger trains. Coach and checked baggage service are provided on all the trains.

Sleeper and meal facilities are provided on the Montreal–Senneterre, Winnipeg–Churchill and Jasper–Prince Rupert trains which operate on overnight schedules.

Studies have shown that of the 394 points located in the remote areas served by the trains—and here are some statistics that are real eye-openers—only 45 have year-round populations with a total of 7,844 residents. Many of these 45 points are the homes of native people. So you get the picture. Of 394 points, only 45 have year-round populations, and most of those 45 points are the homes of native people.

The most recent statistics available indicate that the number of residents living at remote points on a year-round basis was 2,457 on the Montreal–Senneterre route, 10 on the Senneterre–Cochrane route, 326 on the Sudbury–White River route, 3,002 on the Winnipeg–Churchill and Wabowden routes, 1,793 on The Pas–Lynn Lake route and 141 along the Jasper–Prince Rupert route. There are no individuals living on a year-round basis at any of the remote points identified as stops along the Montreal–Jonquiere route.

People may wonder, then, what these routes are used for. These trains are used for a variety of purposes. Certainly they provide those people who do live year-round at remote points—and there are very few, as I said earlier—with access to regional service centres for medical, shopping, educational and business opportunities.

Many of the remaining points are used on a seasonal basis. They are used for recreational purposes to access cottages and commercial lodges and camps located at remote points. Others travel into the area for hunting, boating or other recreational wilderness pursuits. Such remote service contributes to the economic activity in the area by promoting access to camps, lodges and tour operators located in remote wilderness areas.

Some individuals travel to remote points to earn their livelihoods in such areas of activity as trapping, fishing, prospecting and forestry.

That is why the trains provide a limited freight service. And that is why the statistics on service frequency, routes and population density are so important. The trains provide a limited—that is the operative word—freight service, carrying foodstuffs, essential supplies and mail to remote communities.

• (1825)

In 1992 approximately 42 per cent of the passengers using the remote services were destined to points which are solely served by VIA. The remaining passengers were travelling to points which are accessible by year-round highways and in some cases are also accessible by bus or air transport.

The number of travellers going to or from remote points varies considerably by service. In 1992, the percentage of passengers travelling to or from a remote point varied from 80 per cent for The Pas–Lynn Lake to 7 per cent for Jasper–Prince Rupert. In the case of the Montreal–Jonquière service which has no permanent year-round population at any remote point, these travel-

lers are going to seasonal camps and cottages located at remote points.

In 1992 almost 108,000 passengers travelled on these services yielding an average of 42 passengers per trip operated. The level of demand, however, varied greatly. The Winnipeg to Churchill route, which at almost 1,100 miles is the longest remote service, carried an average of 101 passengers per trip. In contrast, the Senneterre–Cochrane service carried only eight passengers per trip.

Between 1988 and 1992 the ridership on these services declined by 28 per cent. These declines can be attributed to the construction of roads into the remote areas, declining populations at remote points, closure of lumber camps, and regrettably the downturn in the tourism sector which has been felt in many regions over the past several years. As well, many passengers who used the remote services to travel to points which do have other means of access appear to have shifted to alternate means such as car, bus or air to make their trips.

No one can deny that the remote services represent a complex situation. They are strung out across the northern regions of our vast country, in areas with a small and declining population. However, the cost of providing this service is accelerating. In 1992, the subsidy per passenger amounted to $250. In other words we are subsidizing a very small percentage of the travelling public. You must realize that common sense dictates we review the entire situation.

I agree that the government must look at the provision of services to remote communities in all these regions, but we must reduce costs. As a government, we are responsible for managing the resources and finances of this country. That is why I do not think it would be useful to conduct public hearings. The government must therefore take the lead and make decisions on the basis of the situation and the figures before us today and I must say we have enough information to do so.

[*English*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am pleased to be given the opportunity to address this private member's bill which I believe can be supported. Let me explain why.

To have full public hearings before a final decision regarding VIA Rail's remote routes is taken seems to me to be rather wise.

[*Translation*]

We could have public hearings which would last a long time, cost a lot of money, and so on, but we could also have shorter public hearings to try and confirm some statistics as my colleague was saying a moment ago. It all depends on the scope of the hearings. As far as I am concerned, I would prefer public hearings, to be absolutely sure. My friend said that situations vary a great deal. There are remote communities where the only access is by rail while others, although small and isolated, are better linked with the rest of the world. As far as I am concerned I would say that we should consult without taking months to do so and spending millions of dollars.

Clearly I support this motion, but I support it in a positive way since I would like public hearings to ascertain that the data we have are accurate.

[*English*]

As I indicated, we must make sure we see each unique situation as it is. I support a policy for the whole of Canada that looks at the smaller, isolated, very often northern communities. I think it is important that we do not simply look at one part of the nation but we do so within the whole.

• (1830)

I want to focus on the line to Churchill and the port of Churchill this evening. Obviously those are in my province and are particularly important to me and my province.

Some will know that I and my party colleagues sat down together and put out what we called an agenda for jobs and growth. We believe that an aggressive economic policy is the key to the creation of jobs. This is very relevant. I want my colleagues to know that I am not playing any games. We addressed a number of factors: the cultural industries, the production of ethanol which might be good for the west, a new core area agreement for the city of Winnipeg, and prairie and western integration programs because we think that we can do more things co-operatively. We looked at Winnipeg International Airport and what might be done to enhance jobs but we also looked at the port of Churchill.

I want to focus my comments on the port of Churchill. The port of Churchill has been one of the victims of the nine years of Tory economic policy. Where the Tories see this as a lost cause, and I do not say that unkindly, we see it rather as an opportunity to be seized. Obviously there is an ideological difference.

Our intent with Churchill is anchored in a very straightforward set of facts. Prairie grain producers have the opportunity to export their product through a port situated closer to their farms, closer to major export markets, which is simply less costly than the St. Lawrence seaway or the west coast. Those are facts and that is part of our statement. Churchill makes economic sense for prairie farmers and Manitoba.

I want to quote this document. This is a fact that not a lot of people know about.

> For example, Churchill is approximately 1,270km from Prince Albert. But Montreal is more than 3,500km away via Thunder Bay and the Seaway. Murmansk, Russia is an important destination for Canadian grain exports. It is more than 800km closer to Churchill than to Montreal. The simple fact is that the Port of Churchill can save prairie farmers on transport costs compared to Thunder Bay and the St. Lawrence.

I continue to quote from this document.

> Using Churchill is also sound environmental policy. Shorter distances mean less consumption of fossil fuels. A thriving Port and maintenance of the rail line could pave the way for economic diversification in Churchill.

fThis is extremely important.

> Port facilities and a rail link make it a leading world contender as a spaceport satellite launching centre. New opportunities in Northern tourism also depend heavily on the continuation of the rail link.

It is not only for the grain. There are other possibilities, for example tourism. Again to quote from this particular report:

> Yet the rail link and all its spin-off benefits depend on grain exports through the Port of Churchill. The Port requires 600,000 tonnes per year to break even.

This is a fact.

> However, in the last several years it has seen less than 300,000 tonnes.

Therefore, it has been losing money.

> The Port could easily handle 1,000,000 tonnes per year without difficulty and without expensive upgrading of either the rail link or the Port facility itself.

We believe that.

> Exciting opportunities are within reach for Churchill. For example talks are under way on barter arrangements with Russia which would see Canadian grain exports paid for with phosphate rock. Churchill could be the linchpin in substantial two-way trade flows between the prairies and the new democracies of Europe.

I complete this quote by saying that my colleagues and I want to press any new government for the export of one million tonnes of grain through the port of Churchill each year.

While I have deliberately focused my remarks on the port of Churchill, I think we have to do an in-depth analysis on the others as well. While I suspect my colleague's statistics, and they were impressive, are really quite accurate, it is particularly important to ensure that we look at each unique situation. Without exaggerating costs, because I am sensitive to those as well, particularly in today's economy, it would be foolhardy not to have public hearings so that we can make sure that whatever decisions are taken are sound for the people in those various communities.

• (1835)

[*Translation*]

I could not agree more. I do not want public hearings for the sake of it, but I would like to try and establish what the best solution is for each remote community concerned.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I am pleased to support my colleague's motion which the House should adopt, requiring public hearings before any decision is made on the remote services of VIA Rail.

Let me begin by asking, where is the report? When the then Minister of Transport announced in succession the elimination of 50 per cent of VIA Rail services in the fall of 1989 and the Prime Minister announced the creation of the royal commission on passenger transportation at the same time, the minister also said, and my colleague read a quote from the press release, that they would do a study of the remote routes to look at alternate ways of providing services. There are a number of Canadians who can only leave their communities by rail. There is no road, there is no air service, and in some cases there is no water service, certainly not of the commercial variety. They are captive.

I know for a fact, and it is in the public record, that the Department of Transport finished the report quite some time ago. I believe it was almost eight or nine months ago when I heard it was completed and they were just waiting for time on the cabinet agenda.

While we are all happy they are continuing the remote services, there is a level of uncertainty out there. I challenge the government today. I hope the next government member that stands in his or her place to speak on this motion will tell the House why it is the Minister of Transport cannot get time at the cabinet table to talk about alternatives for the remote rail services.

Is it because cabinet members already know what is in it? Do they know that the price tag for providing alternate services, either road or air, is too expensive? Conversely do they know that the price tag for relocating those 7,844 permanent residents along those eight lines is also excessive? Or maybe whatever is in that report is as bad as the original decision was and the government does not want to add any more nails to its coffin as it goes into the federal election.

I encourage the government member to report to the House. I encourage the Minister of Transport to report to the House and tell us what is happening with that.

I mentioned uncertainty. The member for Prince George—Bulkley Valley has done an incredible amount of work keeping the issue of the Skeena alive in his area to the point where the Minister of Transport, I assume at the beck of the government member for that area, told chamber of commerce members, as reported in the Prince George *Citizen* on July 25, 1992:

> Corbeil told Chamber members at Friday's luncheon his commitment to maintain VIA Rail's Skeena service through Prince George is firm.
>
> "As far as the Skeena is concerned, it's still a decision of CN Rail and the Government of Canada to keep it running," he said. "My colleague, Frank Oberle, said the line would go only over his dead body.
>
> "I wouldn't want to be responsible for him shooting himself," Corbeil added, eliciting laughter. "And so I'm committed to see it (Skeena) continued."

• (1840)

Yet we hear that they are still studying it, that they do not have the report to cabinet and that cabinet has not made a decision. There is that uncertainty.

There is also uncertainty every place east of Winnipeg. Independent of what the government is doing—in fact the government has said that it will not intervene in any way—CN and CP are working together to roll up as many tracks as they can. CN has already applied to sell its line from Truro to Sydney, Nova Scotia. CP has applied to abandon its line from Sherbrooke, Quebec, to Saint John, New Brunswick, a line which contains VIA Rail services that I used not too long ago. They are combining operations in the Ottawa Valley which will have an effect on VIA Rail services. They are looking at consolidation of operations east of Winnipeg.

When the government member spoke he forgot one of the remote lines, one of the protected lines. It is the line that goes from Capreol to Winnipeg. It is the line that the Transcontinental is on. The reason the Transcontinental goes on the northern line where there are fewer people as opposed to the southern line where there are hundreds of thousands of people, a line that goes through the north shore of Lake Superior, the city of Thunder Bay, Dryden and Kenora to Winnipeg, is that the northern line is a protected line. There are communities along there that have no alternative services. VIA decided to forgo the revenue it would get on the southern line, and a lot of people used that train on the southern line, because it had to keep services on the northern line.

In my discussions with Mr. Lawless he indicated that if we were to relocate the current three times a week service that runs on the CN northern line to the CP line to the south along the north shore of Lake Superior, that in itself would not cost much more than it does today in terms of operation costs or level of subsidy. To provide a local service much like we have in some of the other remote lines would cost a subsidy of about $12 million or $13 million per year. I do not know whether that takes into consideration the increased revenue on the southern line that would offset some of that, but that is part of the reality.

CN and CP are looking at consolidating their operations from Winnipeg through Thunder Bay on to Ca-

preol and Sudbury. If the two railways decide to do as indicated in a report done for the National Transportation Review Commission and the northern CN line which is currently the home of the Transcontinental VIA service is abandoned, that passenger service will be relocated to the southern line.

What happens to those people who live along that northern line whose only way out today is by rail? I grant that there are not hundreds of thousands of them. I take the member at his word that there are roughly 7,800 to 7,900 permanent residents. There are also a lot of working class folks who have what we may call cottages in other parts of Canada but we call camps up our way. They are not elaborate. They are not insulated. There is no electricity. Basically there are walls, a roof, a floor, some windows, a door and some bunk-beds. It is the kind of recreation a lot of working people in the cities of Winnipeg, Thunder Bay and Sudbury can afford.

There is also a lot of industry along those lines, industry such as the tourism outfitters that rely on that remote service to stimulate the economy of this nation. They attract people from the United States, Europe and Asia into those camps. They need the rails to get there. It may not show up on VIA's books but it certainly shows up on our balance of payments and it certainly shows up in the taxation applied both federally and provincially to tourist outfitters and the people who work for them. The member suggests we should have public hearings before any changes are made. I would like to remind the House the last time the only public hearings were by the transport committee after the decision was made, trying to derail it. It had no luck.

I took the matter to the Federal Court of Appeal twice and lost both times. In fact, I am still paying some of the bills. That was the only public review.

At the very least if services are going to be eliminated or replaced, there should be public hearings. There should be environmental assessments. It may be doing more damage to punch a road through the natural environment than to continue the rail services. I could go on and on.

I would encourage the House to support my colleague's motion because there is a lot of great rail service out there. I rode the E & N last week. I took it to Nanaimo and met my colleague from Nanaimo—Cowichan to talk about the rail issues that affect his community. It is a great service. It is like a remote service even though it is not remote. We need those kinds of services in this country.

Madam Deputy Speaker: There being no further members rising for debate, the time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

It being 6.46 p.m., the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.46 p.m.

HOUSE OF COMMONS

Friday, April 23, 1993

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION (GOVERNMENT ORGANIZATIONS) ACT, 1992

MEASURE TO ENACT

Hon. Bill McKnight (for the Deputy Prime Minister and Minister of Finance) moved that Bill C-93, an act to implement certain government organization provisions of the budget tabled in the House of Commons on February 25, 1992, be read the third time and passed.

Madam Deputy Speaker: I have received notice of a question of privilege.

Mr. Simon de Jong (Regina—Qu'Appelle): Madam Speaker, my question of privilege arises out of debate concerning Bill C-93.

During report stage debate, the government introduced some new figures. The debate very much hinged on the efficiency and cost savings to be achieved by bringing the Social Sciences and Humanities Research Council and the external cultural program into the Canada Council.

We heard testimony from Treasury Board, the Privy Council as well as Finance in committee stating there were no savings. We tried as well to bring in the minister and the people from the Canada Council in order to allow us to verify whether there would be any savings and efficiencies. We were not allowed to do that. During the debate the government introduced a new set of figures, claiming some $5 million per year in savings will be achieved.

• (1010)

It is important as a member of Parliament that I know where these figures come from and that I have an opportunity to review them because they are important in determining what position we will take on this bill. It is also important to the academic community because, as would members on this side of the House, it would like to see greater efficiencies and cost savings. We would like to see that this is proven.

I believe my grounds for the question of privilege are that my ability to perform my duties as a member of Parliament have been infringed. As well, the authority and the dignity of Parliament and of all members have been offended by the action of the government. The action in question is the introduction of new and previously unavailable and arguably withheld evidence to the House. The lack of the evidence in question affects my judgment as a member and potentially the judgment of my party. In short I have a right to examine the evidence and to draw conclusions, a right I tried to exercise in the committee without success.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I am at a loss to understand the view of my friend from Regina on this matter.

During the committee hearings government witnesses indicated there would be a considerable saving in combining these agencies. Rather than two separate boards of directors of 21 each there would be one board of directors, reducing the total number of combined counsel from 43 to 21. That is an enormous saving.

Currently there are two administrative and support structures with personnel, financial information and the rest. The member was advised of all this in the committee hearing. All can examine the committee report. That has now been quantified at $5 million in years four and five of this program.

I do not understand the member for Regina—Qu'Appelle raising this as a question of privilege. It may be a matter of debate, whether he listened to the debate or

not. It certainly is not a question of privilege and I think that the claim ought to be dismissed out of hand.

Mr. de Jong: Madam Speaker, I think an examination of the record of the committee hearings will show that documents obtained under freedom of information from Treasury Board showed zero savings. I assume that conceivably by bringing various boards together there are savings on one hand but there are also costs associated on the other. That is why I assumed Treasury Board came to the conclusion there would be zero savings in years one, two, three, four and five.

The savings figure of $5 million a year was never once mentioned in committee. The government now claims at this very late stage of the progress of the bill through various stages that there is going to be this type of saving. I suggest if that is the case, this bill go back to committee for further discussion.

As it stands now I feel my rights as a member of Parliament have been infringed on and I do have a question of privilege.

[*Translation*]

Madam Deputy Speaker: I do not think we have a prima facie case of privilege. In fact, we were moving, it seems quite rapidly—and I think the hon. member will agree—towards the debate that is about to start.

I did not have time, from the moment we received the notice that the hon. member would raise this question of privilege and the opening of the sitting, to go back to reading what had happened in committee.

• (1015)

On the other hand, I do believe that we will have time at this point to debate all these different points as we proceed with third reading. However, I must tell the hon. member that although he may have a grievance that is real, I do not think at this point that it is a prima facie case of privilege.

Nonetheless, I will ask the clerk and his officers to look into the matter and, if required, we will get back to the House with another ruling. For the time being, I do not think that this is an appropriate question of privilege.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, on this point. Am I to understand from the comments you have just made that during the course of third reading debate you will interrupt if you determine after consultation that a different decision is appropriate and at that point in time we will deal with the matter? In any case, am I to understand that you will report back to the House prior to the completion of third reading of this particular bill?

Madam Deputy Speaker: As I have just said, I do not think at this time that there is a prima facie case of privilege.

Should our clerk through a study of whatever happened in committee advise me otherwise then of course we would come back to the House.

I must tell the hon. member at this time we do not see a question of prima facie privilege.

Mr. Angus: Madam Speaker, I understand and accept that. It becomes a moot point if this House has already triggered a vote on third reading of this particular bill and then a decision is made after that. Therefore my question is: Will you indicate before that point in time if as a result of your review there is any change in your decision?

Madam Deputy Speaker: If there should be a change in my decision I would definitely come back to the House before 2.45 p.m. when we have to vote. Otherwise there would be no reason for it, would there?

[*Translation*]

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Madam Speaker, I welcome the opportunity to begin the debate at third reading of Bill C-93.

We on this side of the House have worked relentlessly to reduce the size and cost of the federal government. We have restrained federal spending, including public sector wages. We have implemented the Spending Control Act and the debt servicing and reduction account to ensure that fiscal responsibility is a matter of law. By privatizing over 20 Crown corporations we have reduced the public payroll by 50,000 employees. Nevertheless, we

realize, as do Canadians, that the task of streamlining the federal government and making it more efficient is not yet complete. Bill C–93 is a further step in that direction.

Bill C–93, the budget implementation bill, is the second of a series of omnibus bills designed to give effect to the government streamlining measures announced in the 1992 budget. The first one, Bill C–76, received royal assent on April 2, 1993 and a third one, Bill C–92, dealing with the Income Tax Act and other technical measures is proceeding to second reading in the other place.

• (1020)

The purpose of the Bill C–93 is to reduce government overhead and to provide services to Canadians more efficiently. The Bill includes the necessary amendments required to give full effect to the budget decisions affecting 14 organizations.

Contrary to the campaign which my friends opposite have waged with their filibuster of this bill in the House and with their allies through the media, this bill is not simply a "cuts" exercise, and its success will not be measured only in the calculation of dollars and cents over the short term.

As we are bound to repeat once again for the benefit of the opposition, there will be savings over the longer term as the size of government is reduced and overhead costs are diminished, and this is precisely what Canadian taxpayers wish to see.

More to the point, these changes are part of our broader commitment to smaller, simpler, more cost-effective government, able to provide Canadians with the programs and services they need in the challenging circumstances of the 1990s and at an acceptable cost of delivering them.

I want now to review some of the more contentious issues raised in earlier debate with respect to specific organizations addressed in Bill C–93.

The positive features of Enterprise Cape Breton Corporation or ECBC will be retained after the Corporation is merged with the Atlantic Canada Opportunities Agency, commonly called ACOA. In particular, financial assistance will continue to be available for new and existing businesses that are likely to make a substantial contribution to industrial development and employment opportunities in Cape Breton Island outside of the coal producing and steel industries. ACOS's new statutory powers will be restricted to Cape Breton Island and a portion of mainland Nova Scotia around the town of Mulgrave.

Dissolving the ECBC and carrying over its specific statutory powers to ACOA will eliminate a duplication in program delivery and the administrative overlap which that duplication entails. ACOA clients in Cape Breton will be the beneficiaries of increased efficiency in promotion, financial assistance and development of industry on the island.

During debate on this part of the bill on Tuesday, April 20, 1993, the member for Regina–Qu'Appelle made reference to estimates of the costs and savings to government from the merger of ECBC with ACOA. I refer to page 18151 of *Hansard*. Specifically he stated that the merger would cost the government $1 million over five years.

The $1 million cost figure referred to by the member for Regina–Qu'Appelle was an early estimate of costs which was made prior to the February 1992 Budget and prior to any specific knowledge of the parameters of the integration of ECBC into ACOA. That estimate assumed far greater job losses and severance costs than will actually be the case, since most of ECBC's employees will be transferred to ACOA.

It is now estimated that there will be no additional costs to government as a result of the merger. The corporation, like any responsible corporation, has set aside annual contributions for employee termination benefits. There are sufficient resources in this fund to pay all anticipated severance costs associated with the merger.

With respect to savings it is estimated that the annual savings to government from merging ECBC with ACOA will be at a minimum $250,000. Saving could reach up to $1 million annually on the successful divestiture of ECBC'S industrial park and farm operations.

[*English*]

Mr. de Jong: I rise on a point of order, Madam Speaker.

I am sorry to interrupt the parliamentary secretary but again he is quoting figures that were not available in committee. I wonder if the hon. member would be willing to table those figures in the House so we can all see the source of his figures from which he claims to have these savings.

• (1025)

[*Translation*]

Mr. Robitaille: Madam Speaker, I was simply saying that the Enterprise Cape Breton Corporation had set aside some funds for severance pay. The costs associated with the merger or integration of the corporation and ACOA will be paid but out of the funds set aside for that particular purpose.

I take note of my hon. colleague's question and will see when I am through with my speech if I can provide these documents and confirmations to the House.

Questions were also raised in debate at report stage with respect to the future of ECBC's industrial park and farm operations. The member from Cape Breton—The Sydneys stated at page 18150 of *Hansard* that at present, ACOA has no provision to own land but ECBC does. He is correct. However, he neglected to inform the House that ECBC's power to acquire or hold land will be transfered to ACOA as part of the provisions of Part II of Bill C-93.

With respect to the future of the two properties identified by the member, the industrial park and demonstration farm, it is the government's objective to assist private-sector operators to take over these operations.

I trust these clarifications put to rest once and for all any residual anxiety about the nature of the programs for ECBC Cape Breton.

This is strictly a legislative initiative to streamline the administrative component of program delivery, simplify the access to information for the business community on the island and improve the quality of service to all Cape Bretoners.

Next I want to deal with what appears to be the most difficult aspect of the bill for my friends opposite to get their minds around, Part III—the integration of the Canada Council with the Social Sciences and Humanities Research Council and the international relations programs.

In spite of efforts by members on this side of the House to set the record straight, the opposition speakers continue to characterize this section of the bill as an empty exercise motivated by fears of the government having to cave into right wing political pressure.

They are, of course, entitled to their opinions, but I am here again today to tell the House that this government will not be put off from finding reasonable and prudent ways to relieve the burden on the Canadian taxpayer whether the pressure is coming from the so-called right or from any other self-serving lobby.

This merger, once the transition has been completed, will result in increased efficiency in the delivery of programs and services. I am talking about grants to artists, promotion of the arts and the provision of scholarships in the social sciences and humanities and enhancing our capacity to project our national personality and the expression of our culture abroad.

The opposition continues to demand of us why are we proceeding with this merger. The answer remains straightforward and has not changed since they first posed the question at second reading: to improve program delivery and reduce overhead. Let me say one last word about the operation of the councils. It is important to recall, as my colleague from Winnipeg South told the House on Wednesday, the Canada Council worked well as one council for over 20 years.

Over time, the council developed a structure adapted to the two clienteles with the creation of an Academic Advisory Panel as a parallel to the Advisory Arts Panel, and the establishment of a separate administrative staff to deal with the academic community.

The differentiation of roles between the two was fully understood and accepted by the two bodies and their relationship was characterized by mutual respect.

• (1030)

It is also significant to note that in its appointments to the new council, the government of the day took the Canada Council as its model and gave the new body, the Social Sciences and Humanities Research Council, a predominantly lay composition and similar budgetary and expenditure practices.

The merger of the two councils in no way represents a lesser commitment to the academic community. The government is on record as saying that the interests of all its clients will be protected. Social research will in no way be compromised, as opposition members tried to say.

Both the Canada Council and SSHRC are granting councils, both have well-established peer review structures. The distinct peer-review structures will remain in place after integration. However, as my friends opposite conceded on several occasions in this debate—and again as late as Wednesday afternoon at continuation of report stage—there is a need to streamline government to deal with the growing fiscal pressures on the public purse.

Simply put, one more time, we no longer need and can no longer afford a separate council for each sector. This has no relationship to the level of appropriation for the grants and contributions which the three sectors receive or to the level of funding for the respective programs which they deliver. For more than 20 years, the Canada Council included both councils and operated very well. We know that this can be done again while protecting the interests of all three client groups—the arts, the social sciences and humanities and the international academic and cultural relations programs. Despite the protestations to the contrary of my friends opposite, the structure of Bill C-93 is clearly designed to reflect this intent.

Furthermore, the government never said that the Council would have only one vote for appropriation purposes. While the ministers of the Treasury Board will decide how many votes there will be, I can once again assure the House, and especially the opposition, that they have taken into account the wishes of the granting councils management and the views of the client organizations and will continue to do so.

I have been truly astonished at the tenacity of members opposite on the question of savings associated with the merger. They managed to get their hands on an outdated, pre-budget estimates draft and totally distorted its meaning. That may be understandable for people who are not familiar with the bureaucratic processes involved in our parliamentary routines for voting appropriations. I can even appreciate the political expediency involved in their behaviour which implies, "Look, don't bother me with the details. The answer you are going to give me is not one I want to hear, because it does not suit my line of argument."

What totally floors me is when the members opposite continue to cling to their story line in the face of clear statements telling them that there will be significant ongoing savings resulting from the integration of the Councils and the international programs. One more time, once the transition is complete, ongoing savings of approximately $5 million annually are expected from this measure, in all probability starting three years after the integration, that is, in the fourth and fifth years. Hopefully, this is the end of the phoney "no savings" line, as painful as it may be for the opposition to abandon it.

I would like to come back to that amount of $5 million which my colleague from Winnipeg South and I put forward here in the House. We clearly said, and I clearly said in my speech at report stage, that it would be inadvisable for the government to try to detail the savings and how they would be made, since the new Council, like any Crown corporation, must operate at arm's length from the government.

• (1035)

I was listening a few moments ago to the question of privilege raised by the hon. member and I would like to remind the Speaker that the Canada Council is an independent Crown corporation and that, on the issue of savings, it is up to the Council itself to determine how these savings will be realized. Therefore, we are not in a position to give further details at this moment, nor are we required to do so.

I would like to refer to a letter from Mrs. Paule Leduc, director and president of the Social Sciences and Humanities Research Council, to my hon. colleague from Regina—Qu'Appelle, of which I received a copy. With unanimous consent, I am prepared to table this letter, which I will read to you.

[*English*]

Dear Mr. de Jong:

Following our telephone conversation this morning concerning future savings resulting from the merger of the SSHRC and the Canada Council, I think we can reasonably expect that ongoing savings in the order of $5 million annually could be achieved after four to five years of the existence of the new combined agency.

I also expect that savings will occur earlier in the process, probably as soon as year three, but at this stage I cannot give a definite amount.

It is premature for me now to identify in detail how those savings will be achieved, but we can already identify that integration of corporate and administrative services, the sharing of a single location, as well as some program rationalization will combine to reach a target of that magnitude.

[*Translation*]

That letter is signed "Mrs. Paule Leduc, director and president, Social Sciences and Humanities Research Council". I could table the document with unanimous consent of the House.

[*English*]

Madam Deputy Speaker: Is there unanimous consent for the hon. member to table that letter?

Some hon. members: Agreed.

[*Translation*]

Mr. Robitaille: Madam Speaker, I hope this confirmation by Mrs. Paule Leduc will dispel the doubts that the opposition is trying to cast on the savings this merger will bring.

As we said on Wednesday, it is normal that in the first few years of operation there are costs associated with the merger. Nevertheless, we expect, based on the preliminary judgement which the management of both councils has given us, that reduction in overhead will result from a streamlined program structure with three-year funding instead of annual grants, simpler and more flexible financial management, co-location under one roof, rationalized common services—by that I mean personnel, financial and information—and the return to one governing body, one council, instead of two.

I congratulate my friends opposite for the entertainment they have provided the House and the public with their misleading attacks on this merger. We have been patient and have tried to correct the record a number of times. Now—enough is enough. There are significant ongoing annual savings asssociated with the merger in part III of Bill C-93 over the long term.

We have told the members opposite the magnitude of those savings and when we expect to begin to realize them. That should be sufficient. I know it is more than sufficient for the taxpayers of Canada.

I have one final point on the specifics of the recent debate on this bill. I am referring to the point raised by the honourable member for Regina-Qu'Appelle on part VIII of the bill and the debate on Motion No. 67 on Wednesday.

Although, this is a highly technical area of intellectual property litigation, I think that in his remarks on cost recovery, the member has confused user fees, pass-through costs and awarding of costs for frivolous proceedings. That would appear to be the case with his statements in *Hansard* on pages 18260 and 18261.

He argued that SOCAN will have to absorb the cost of frivolous proceedings brought against them. This is not the case. I refer the honourable member to page 80 of the Bill. Section 12 of the new *Intellectual Property Tribunal Act* clearly provides the Tribunal with the discretionary power to award costs against nuisance proceedings of this sort.

• (1040)

Therefore, I believe that SOCAN's fears in this regard are unfounded.

Moreover, Madam Speaker, you will allow me to point something out with reference to a remark the hon. member for Regina—Qu'Appelle made about me as recorded in *Hansard* of April 21, 1993, page 18260 and I quote:

> Mr. Speaker, I really tried to follow what the parliamentary secretary was saying but I am afraid I am going to have to wait until I read *Hansard* tomorrow. I think what the parliamentary secretary was doing was just reading out what bureaucrats had told him to read out.
>
> It is a technical amendment. There are technicalities in it.

The hon. member for Regina—Qu'Appelle went to say:

> I am not quite certain the parliamentary secretary totally understood what he was saying but I suspect what was happening is that he was given something to read by some bureaucrats. It sure sounded bureaucratic to me.

I regret the hon. member had difficulty understanding properly what I was saying. He said that I was referring to notes prepared by bureaucrats and he is right because I was indeed referring to notes prepared by public servants and by my staff; these notes are only aimed at giving good, detailed explanations to the hon. member because of our concern, as a government, to explain properly the positions and decisions we take, and I regret the hon. member had difficulty understanding. Hopefully he would have read *Hansard*, but I must assure him I never read here a text or refer to notes without fully understanding their meaning.

I will come back with some explanations in a language which, hopefully, will be better understood by the hon. member for Regina—Qu'Appelle.

The thing is very simple. The government has a user pay policy. Take passports, for example. There was a time when even passports were subsidized, that is to say that the fees charged to the user were less than the production costs. Then the government came up with a policy to apply the user fee principle. The same principle applies to the Intellectual Property Tribunal.

And in that instance, we are only saying that SOCAN and other users will have to bear the operating costs of the Intellectual Property Tribunal.

Second, this particular amendment which would have added the word "user" or "consumer" could have been interpreted in such a way as to impose a tremendous administrative burden on the Intellectual Property Tribunal which, by law, would have had to take upon itself the tremendous burden of billing for its services.

I believe that SOCAN, which represents around 35,000 members, should bear the costs connected with using the Intellectual Property Tribunal and then charge its members. That way, the Intellectual Property Tribunal does not have to be laden with such a burden.

I believe I have now dealt with the main concerns which the opposition has raised with respect to Bill C-93. I also think it is important to remember that there are seven other parts to this bill and that they have drawn very little attention during our proceedings. In fact, there are sections of the bill with which the opposition have expressed their support, like the winding up of the Veterans land administration and its integration into the Department of Veterans Affairs.

As I mentioned at the beginning of my remarks, Bill C-93 is in line with the government policy, with the economic statement and with the 1992 budget aimed at providing Canadians with better services for less, at streamlining administrative costs and in the end at alleviating the tax burden of the people.

• (1045)

Ever since 1984, every bill presented with that intent, namely to slash government spending, to reduce the machinery of government and therefore administrative costs, everyone of those bills was systematically opposed by the Liberals and the New Democrats and now by the Bloc Quebecois.

We introduced bills on privatization. The Liberals voted against the privatization of Nordion and Tethratonics, Bill C-13, second session. On third reading, they opposed the sale of government shares in Telesat Canada proposed in Bill C-38. They did not support the privatization of Petro Canada, Bill C-84, second session. The Liberals voted against the act respecting the control of government expenditures which was meant to cap government spending, Bill C-56, third session. They opposed Bill C-26, third session, a legislation to improve the efficiency and accountability of the public service. That bill also includes other measures that would create better employment opportunities for women, natives, handicapped persons and visible minorities. They voted against.

The Liberals did not endorse the amendments to the Patent Act which will promote pharmaceutical research and development, Bill C-91, third session. They voted against some substantial amendments to the Bankruptcy Act, Bill C-22, third session. Finally, if we look at the legislative package put forward by this government to streamline expenditures, which is the wish of the Canadian people, I think it is clear they systematically voted against it each and every time.

This is not surprising. When a party like the Liberal Party is in power for so many years and when we see that over a period of 12 years the deficit grew from $1.8 billion in 1969-1970 to $38.5 billion in 1984-1985, with an accumulated debt of $200 billion, it is not surprising.

Madam Deputy Speaker: The hon. member for Ottawa—Vanier rises on a point of order.

Mr. Gauthier: Madam Speaker, I have been listening very carefully to the hon. member's speech on Bill C-93 at third reading and I have to ask myself the following question: does the rule of relevancy require that we pay special attention to the bill not under consideration?

Until the hon. member launched an attack against the Liberal Party, I thought he was only being a bit partisan. However I would like the member to concentrate on the subject matter of Bill C-93 and explain to us how the government will sell that bill, which is bad for Canada, to the people it will affect.

Mr. Robitaille: Madam Speaker, I think the House has always had some leeway with regard to arguments behind our government policies in every debate which takes place in the House. I have been here since the beginning of the week to debate this bill and I have listened to speeches from my colleague's friends as well as from other hon. members which were far from relevant to this debate. As far as I am concerned I think I have kept my remarks well within the scope of the debate on Bill C–93.

What I am trying to explain is the filibustering the liberal opposition has been doing on Bill C–93. What I am trying to show here is that every bill like Bill C–93 has systematically been opposed to by the New Democratic Party and the Liberal Party.

What I was trying to say before I was interrupted by my colleague was that it was not surprising to see constant opposition against bills which are aimed at reducing spending while, in 12 years, the Liberal government kept increasing expenditures at the rate of 14 per cent. I was referring to an example which is really rather interesting. In 1974–75, Mr. Jean Chrétien stated on page 7138 of *Hansard* of July 2, 1975 the following: "We have decided that restraint is necessary. In order to exercise restraint we had to cut back on planned expenditures". That year, expenditures went up by 28 per cent.

• (1050)

Systematic opposition by the Liberals to Bill C–93 is part of a tradition that has lasted for more than 25 years, and I can understand that.

In conclusion, I want to state once more the importance, for the Canadian people, that governments do everything that is needed and take fair measures to reduce government spending, streamline administrative costs and increase the efficiency of services for the Canadian people.

As I said, a recent survey in Terrebonne clearly indicated that this is the way we should go. Throughout this country, Canadians who work 40 hours a week or more and strive to make ends meet tell us that the tax burden is unbearable. They are fed up with taxes and they are sick and tired because we do not make appropriate decisions to streamline our costs and expenses and save money whenever it is possible.

We should never forget that public funds do not come from another planet, or from the opposition members' pockets but from all Canadian taxpayers. I think there is a constant lack of good faith on the part of the opposition. If only the opposition had supported the government in its spending cuts, even once, if the Liberal and NDP opposition had only once made suggestions about spending cuts. Instead, for nine years now—you have been here all that time, Madam Speaker, you know what has been going on—all we have seen in this place is filibustering without any consideration for the Canadian taxpayers' ability to pay.

Bill C–93 is in keeping with the approach set out in the 1992 budget where we announced that 40 organizations would be eliminated as the services delivered by these organizations are already provided by the private sector and that others would be consolidated. This Bill C–93 responds to the 1992 budget. It will rationalize the delivery of several services to Canadians, contribute to more efficient government and reduce the burden of government on Canadians. That is something that we all want in this House and that all Canadians want as well.

Therefore, I urge all members of this House, on either side, to pass this bill so that it can be sent quickly to the other place and that we can finally achieve these savings.

[*English*]

Madam Deputy Speaker: There will not be any questions or comments during third reading. Before we continue I would like to direct this comment to the hon. member for Regina—Qu'Appelle.

Our Clerk has looked at *Hansard* from the committees. We have come to the conclusion that there might be divergences of opinion and there might be points for debate, but on the point brought to my attention this morning by the hon. member there is no question of privilege.

[*Translation*]

Mr. Ronald J. Duhamel (Saint–Boniface): Madam Speaker, like my colleagues, I recognize that you are a very fair person. You will no doubt note that our friend opposite has delivered a political speech which was not bad but he failed to provide rational arguments in support of the bill before us today.

For one thing, he mentioned that the Liberals opposed the bills his government introduced in this House. Liberals always oppose bills that do not take the people into consideration.

• (1055)

This is the kind of bill that the Tories have introduced. They talk about cutting expenses. They are very concerned and talk about it often. It is very easy to cut expenses on the backs of others. That is what this government has done. The hon. member referred to misleading attacks. It is the government which is being misleading and I can prove it. He quoted a letter from Paule Leduc, a very honest letter where she says it might be possible to save a few dollars in the not too distant future.

[*English*]

He did not admit that particular saving could have been achieved if the government had simply asked these organizations to reach a particular precise budgetary target. It is not as a result of what the government is doing. It is because these organizations will be forced to reach targets, and my hon. colleagues know that full well.

They know full well that this will go down in the annals of history and the annals of government as the silliest, the flimsiest, the most superficial bill that has probably ever come forward. It has been a botched job right from the very beginning. The government is trying to put some glitz to it, a bit of shine. There is no glitz; there is no shine. It is a deceptive and destructive bill. It is one that will haunt this government.

Let me make one point very clear. No one in government is opposed to streamlining if it is going to save money, if it is going to bring about increased efficiency and effectiveness. However there are no savings here. There is no increased effectiveness or efficiency. There are no studies to show it. When we questioned the witnesses from Treasury Board and the Privy Council, and I shall share the quotes shortly, they had nothing, no studies. They admitted they had nothing. They were honest men and women, and I appreciate their honesty. They might have chosen to do something else but they chose to tell the truth and by telling the truth they have exposed this government's project.

Just so that people are very aware of what is happening here, let us look at what is going on. The government has decided to streamline, initially it said to save money. Then when it was found out that was not true in reality, what did it do? It started to go for increased effectiveness and efficiency. When that did not come forth then it tried to pretend that we in the opposition were being unfair.

Let us remember that what the government is doing is in fact trying to kill organizations that in some cases were already dead. It is removing organizations that have been dormant for years. Worst of all, dynamic and vibrant organizations were taken out completely because the Economic Council of Canada could not stand the heat. The government could not take that kind of criticism. One of the worst decisions it made was the merger of the Social Sciences and Humanities Research Council of Canada with the Canada Council.

Let us remember this bill is wide ranging. It talks about the Agricultural Products Board. It talks about the Atlantic Canada Opportunities Agency. It talks about the Canada Council for the arts and for research, the social sciences and humanities. It talks about the independent review commission for the Royal Canadian Mounted Police and the Intellectual Property Tribunal. It also addresses the Canadian Commercial Corporation and Emergency Preparedness Canada. It talks about the International Trade and Procurement Tribunal, the Petroleum Monitoring Agency and the Veterans' Land Administration Act. It is a wide-ranging bill. The government has failed, absolutely and totally failed to make its case.

Because of its vastness and because it is complex the government has tried to suggest to Canadians that there were savings, that this was a good move and that this would be more effective. We know it is not true. We know what this bill is all about. It is about killing those agencies that are dead, removing and killing those that are dormant, and sapping the strength out of those that are vital and dynamic because they were a threat to government.

This bill is about trying to reach the Reform Party agenda. They are kissing cousins and I shall have more to say about that.

• (1100)

Madam Deputy Speaker: The hon. member will be able to pursue his remarks after Question Period and Routine Proceedings.

The House will now proceed to members' statements pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THOROLD, ONTARIO

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, I rise to outline again the difficult economic circumstances in my riding due to the adverse effects of the free trade agreement, cross-border shopping and, most significant, the huge lay-offs in major industries such as GM.

My constituents are very disillusioned with the empty promises of this government and are looking for help at this time in connection with a local project known as the Peter Street bridge in Thorold. The Peter Street bridge is a vital link in Thorold and is now under threat of closing due to extensive repairs which are required to ensure its safe use by not only my constituents but the thousands of tourists who use it every year.

I urge the government, mainly the St. Lawrence Seaway Authority which has jurisdiction over the bridge, to extend its financial assistance to my riding and fully support the initiatives of the mayor and members of the city council of Thorold in their attempt to provide their city not only with a viable link but especially—

Madam Deputy Speaker: The hon. member's time has expired.

* * *

[*Translation*]

NATIONAL VOLUNTEER WEEK

Mr. Barry Moore (Pontiac—Gatineau—Labelle): Madam Speaker, National Volunteer Week, this year from April 18 to April 23, is a special opportunity for us to pay tribute and give recognition to all those individuals who volunteer their services in their local community.

Today I would like to join these communities in paying a special tribute to the contribution made by volunteers to community life.

To our volunteers I want to say thank you for your dedication and commitment. What you have accomplished deserves the respect and admiration of us all.

I would also like to take this opportunity to congratulate a young lady from my riding, Annie Galipeau, a resident of Messines, who won an award in the Dramatic Arts category at the YTV Gala held last night at the National Arts Centre in Ottawa.

Congratulations, Annie, and good luck.

* * *

[*English*]

CLAM FISHERY

Mr. Bill Casey (Cumberland—Colchester): Madam Speaker, clam fishermen on the Bay of Fundy shore near Five Islands are very concerned about the clam resources and want the establishment of a season to ensure a sustainable and viable fishery. The fisheries committee of the West Colchester Development Association has recommended that a season from approximately May 15 to October 31 be established in order to prevent overdigging and allow for the replenishment of clam stocks.

This committee is made up of residents in the area who are involved in the clam fishery and are very knowledgeable about the resource and the conditions. I support this committee in its efforts to protect the resource and will be urging the minister and the Department of Fisheries and Oceans to accept this sensible recommendation at a meeting in the area to be arranged in the very near future.

* * *

YTV AWARDS

Hon. Herb Gray (Windsor West): Madam Speaker, yesterday evening hundreds of thousands of Canadians were impressed and entertained as they watched the live broadcast on the YTV network of the fourth annual YTV achievement awards. These awards to young people 19 years of age and under demonstrate the talent, creativity, innovation, community service and courage of young Canadians. The winners exemplify the best of our country and convey a much needed message of optimism and hope for the future.

I would like to congratulate all the winners, but in particular I want to congratulate Tamia Washington of Windsor, Ontario who received the national vocal award. To Tamia and all the winners I say on behalf of all Canadians and myself: Congratulations, we are very proud of you. *Félicitations et bonne chance à tous.*

* * *

HOUSE OF COMMONS

Mr. Doug Fee (Red Deer): Madam Speaker, any time that I have risen in this House the words I have spoken have been my own. However, pursuant to an agreement that some of us entered into yesterday the following words were suggested to me by an outstanding group of young people who are employed by this House.

Last night in the spirit of friendliness and healthy competition members from both sides of the House joined together to face the pages in an invigorating game of the great Canadian sport of hockey. While it was a delightful experience for everyone, the pages once again proved their worth by tearing apart the MP squad as though we were a group of amateur bowlers. Their complete domination of the game left us cold and left the ice melting. These fine young people should be thanked, not only for the enjoyable evening but also for not rubbing it in our faces.

* * *

• (1105)

WINNIPEG, MANITOBA

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, Winnipeg residents are anxious to hear confirmation of the federal government's support of a third core area initiative. Both the provincial and city governments have already indicated their desire to participate in the third phase of this very successful program.

The two preceding core area initiatives have greatly benefited the larger community of Winnipeg by enhancing social and community services downtown and by encouraging job creation, work experience and training as well as the growth of small business. However there remains the need for new programs and development in the city.

Government cutbacks, high unemployment and the recession have had a devastating effect on the economy of Winnipeg. The demands on service organizations have increased dramatically while funding continues to shrink.

The people of Winnipeg are eager to haul themselves out of this recession but they need a commitment and some encouragement from the Conservative government, and they need it immediately.

Repeated efforts to get an answer from the minister responsible have so far proved unsuccessful. I call on that minister to answer and answer positively, and to invest in the future of Winnipeg and not allow it to continue to deteriorate safe in the knowledge that the Conservatives will not be around after the next election.

* * *

TELECOMMUNICATIONS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, when 976 service was first proposed the Bell Telephone Company opposed its introduction but the CRTC forced it to carry 976 service and at the same time created a situation in which anyone who objected to 976 service would have to pay a $4 a month service charge to have the service blocked.

Now postcards with gorgeous pictures of escorts encourage people to phone a 976 number. All sorts of people are facing a big surprise when their telephone bill carries a $10 or $15 charge for a sex service call.

It is clearly time for the CRTC to eliminate 976 service from the services offered. This service is not needed and it is clearly being abused.

* * *

WHARFS

Mr. Joe McGuire (Egmont): Madam Speaker, the fishing season is almost upon us and most of the wharfs in my riding of Egmont, P.E.I., are still in such a state of disrepair that the safety of the fishermen using them is in jeopardy.

I and fishermen's associations have brought this situation to the attention of the Minister of Fisheries and Oceans on many occasions. The only responses so far have been a few band-aids supplied here and there, leaving us now with wharfs that have deteriorated to the point where it will cost millions to restore them to safe operational conditions.

I ask the minister to get personally involved. We now have a situation in which defeated provincial candidates, a Public Works employee and an unelected member from the other place are making announcements to the media on the minister's behalf, and we do not know if those announcements are true or not.

Fishermen need to know who is in charge and what is going on. They want to know what is going on in other Egmont harbours that need repairs.

While spending large amounts of money after eight years of neglect may seem like a cynical vote buying gesture, I would advise the minister to set that concern aside and do the repair work so that the fishermen in P.E.I. can work from harbours that are functional and safe.

* * *

FUR TRADE

Mr. John A. MacDougall (Timiskaming—French River): Madam Speaker, today the federal government has announced its renewed investment in one of our country's most significant industries, the fur trade.

The Department of Indian Affairs and Northern Development and the Department of the Environment have committed $12 million over the next five fiscal years to assist the Canadian fur trade to adjust to changing market realities and respond to the advancement of the management and humane trapping of fur.

Thanks must go out to individual trappers across the land, the trappers' organizations and the Fur Institute of Canada for their representations to the government. Thanks must also go out to the ministers of environment, international trade and DIAND who ensured that the support was secured for another five years.

Our Canadian government is proud of the fur industry. We are proud that Canada will continue to be leaders in the development of humane trapping and ranching methods and will continue to be leaders in the exporting of a beautiful quality fur product.

NATIONAL DEFENCE

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, this morning the media reported that three members of the Armed Forces under investigation for the March 16 beating death of a Somali man have been released from all forms of custody but the release is not an indication of whether or not charges will be laid.

A fourth soldier continues to lie in hospital in critical condition as a result of circumstances that may be connected to the March 16 incident.

I and members of that young soldier's family join with other concerned Canadians in wanting to know the truth about what is happening in Somalia.

I therefore repeat the call to the Minister of National Defence made by my colleague from Victoria for an independent public inquiry into this and earlier incidents which are now coming to light. My constituents and I want to know what is happening within the military command in Somalia and why information which the minister admitted to having about these incidents has been deliberately suppressed.

• (1110)

I would ask the Minister of National Defence to respect the wishes of the family involved and immediately establish the public inquiry.

* * *

ROSSER, MANITOBA

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, Rosser is a municipality and town west of Winnipeg which I represent and live in. It is celebrating its 100th anniversary this year.

This area of Manitoba with its rich farm land has become home to many pioneer families and immigrants, such as my parents and many others.

The historic development of Rosser is fascinating as well as intriguing. General Thomas Lafayette Rosser was a classmate at West Point with the famous General Armstrong Custer. They fought opposite one another in the U.S. civil war, yet later renewed their friendship. About seven years before General Rosser surveyed the CPR line from Winnipeg to Saskatchewan as chief engineer he was preparing to lead a volunteer force to rescue General Custer at the Little Big Horn, but he was too late.

I am sure all Canadians are grateful to this great, colourful American general for his contribution to the early development of Manitoba.

I also would like to congratulate Reeve Allan Beachell, his council, and many volunteers for making the 100th anniversary of Rosser a lasting and memorable success.

* * *

OTTAWA LYNX

Mr. John Manley (Ottawa South): Madam Speaker, April 17 was an important day for Ottawa.

Last Saturday marked the return to Ottawa of professional baseball as the Ottawa Lynx took the field in the International Baseball League. The first pitch was the culmination of years of effort by Howard Darwin, a dedicated entrepreneur and sportsman whose leadership and commitment to his community have benefited the people of Ottawa for many years and in many ways.

My 10-year old son and I were in the stands for that first pitch, a strike by the way. While the weather was cold and wet and the Lynx came up one run short we had a great evening, and without a doubt the fans loved every moment.

With inexpensive ticket prices Howard Darwin has brought families of this region a great activity to share. It is an opportunity to eat popcorn, hope for a foul ball and, most of all, build memories together.

Ottawa city council deserves credit for undertaking the building of a wonderful facility for our new team. The stadium does not yet have a name but surely nothing could be more appropriate than Howard Darwin Stadium in recognition of an individual who successfully pursued his dream for his community.

* * *

[*Translation*]

FRENCH-LANGUAGE NEWS

Mr. Jean-Pierre Blackburn (Jonquière): Madam Speaker, the campaign for the leadership of the Conservative Party has given us another prime example of what is lacking in the media sector. Large sections of the French-speaking population in Quebec and Canada were unable to watch the broadcast of this event in French. For instance, Wednesday's debate was not carried in the Saguenay—Lac-Saint-Jean area.

What amazes me is when I hear some people say we do not need this kind of service and that we would be better off improving CBC programming.

Do they not realize we will soon be invaded by 300 American channels? Are they aware of a plan now on the drawing board to set up a second English language news network in Canada, while nothing is being done for French-speaking viewers?

It is time to correct this imbalance. The CRTC should intervene to promote and facilitate the establishment of a French 24-hour news network.

* * *

[*English*]

CANADA POST

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, Canada Post, well known for closing rural post offices, has now decided to close outlets in urban centres.

The corporation is currently planning to set up a franchise network in Prince George, B.C. which will mean the closure of post offices on 5th and 15th Avenues. At best the corporation says it might keep mailboxes open at these locations and that it will set up a business service centre.

Surveys I have conducted in the business community show that it wants to keep the service. Downtown Prince George needs the traffic generated by people going to the post office. It would be regrettable if Canada Post is not a partner in the renewal of downtown Prince George.

I call upon the minister responsible for Canada Post to use the powers given him in the Canada Post Corporation Act to tell the corporation to stop the closures and listen to the public and business community about the need to keep our post offices open.

Oral Questions

GOVERNMENT OF ONTARIO

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, we have just heard that the New Democratic Government of Ontario has finally made an announcement. It will be cutting 11,000 government jobs in the public service. It will close down the Oxford Regional Centre for the developmentally disabled in Woodstock. All 18 of Ontario's international trade offices will be eliminated. Colleges of agricultural technology at Centralia and New Liskeard in northern Ontario will be closed. Twenty-five offices of the Ministry of Natural Resources will be shut down. Grants to municipalities will be cut.

• (1115)

To show how incompetent it can get, the NDP government is closing down a centre for the disabled and is destroying the careers of 11,000 public servants in Ontario to pay for its own stupid mismanagement.

* * *

DUTY-FREE GASOLINE STATIONS

Mr. Ken James (Sarnia—Lambton): Madam Speaker, last August I was approached by one of my constituents, Mr. Rob Montanino, with a proposal to establish duty-free gasoline stations in communities along the Canada-U.S. border.

His proposal was well developed. In principle it would afford both departing Canadians and our American visitors the opportunity to purchase their gasoline on this side of the border. There is the potential for a net benefit of course to our economy and to our border communities.

On his behalf, I submitted Mr. Montanino's proposal to the Minister of Finance and his officials for their consideration last October. Although the minister expressed some reservations and some operational hurdles in his response of January 28, 1993, Mr. Montanino's proposal in my mind is worthy of further examination.

I hope that the minister will continue to look at well-developed proposals like Mr. Montanino's which seek to improve the economic situation of our communities on the competitive cross-border front line.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, my question is for the Acting Prime Minister.

I would like to begin by quoting from the statutes of the defence department. At the very beginning it says that the minister is responsible for the management and direction of the Canadian Armed Forces and the development of policy on national defence.

Yet we have a minister who has known of four serious incidents and has never reported them, has taken no action whatsoever to clear up what her own chief of defence staff has said is a breakdown of loyalty and discipline, and has rejected all calls for better preparation, training or equipment for troops. She now states as part of the new politics of exclusion that it is better if she does not come to Parliament to answer questions.

I ask the Acting Prime Minister, how can Canadians have any confidence with the serious problems affecting our peacekeeping troops in Somalia that the conduct of the defence department will be dealt with when the minister believes she does not have to be accountable to the people of Canada and to Parliament?

Is it not time that this government appointed a new minister who recognizes the need to manage the department and be responsible to the people of Canada?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): The hon. member is distorting what the minister of defence said and is misleading the House and the Canadian public about the circumstances.

As the Judge Advocate General stated yesterday, the minister of defence under the National Defence Act has certain duties that are similar to those of a judge. What the minister of defence said in respect of these incidents, two for which the investigations are carrying on, is that they could possibly lead to court martial legal proceedings. In respect to those incidents which have been the subject of many questions in this House, she is very much circumscribed in terms of what she can relate to the House without prejudicing the individuals involved in order to ensure that justice prevails.

It is in that context she said it would be easier not to respond to those questions because of the possibility of causing harm to the judicial process and the questions of fair play, the charter of rights and all of those things which come into play in view of her responsibility. She will be in the House on Monday and Tuesday.

The rest of the department and its operation, the Canadian Armed Forces as has always been the case and particularly under this minister, is running very well.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, when it comes to raising questions in the House, they are not questions about the specifics of a particular investigation. They are about the conduct of the minister, the department, the impact on our peacekeeping troops and whether under these circumstances they are able to do the job for which they are assigned. Surely, a minister who says that it is better not to be in the House is one who is in direct violation of her responsibilities to live up to that mandate.

• (1120)

This is what I want to ask the minister directly. We have another major problem. Our troops in Bosnia have been given a new mandate to protect civilians against potential attacks. Yet by all expert judgments they have neither the equipment nor the numbers to fulfil that mandate. That puts them at serious risk. It is a matter of grave concern to us all. There has been no report, no explanation and no accounting from the minister of defence to this House of Commons or to the Canadian people on that very grave and serious circumstance.

I want to ask the minister, when are we going to find out what new rules of engagement our troops in Bosnia have been given? Will they be given new equipment? Will there be other troops provided to help reinforce the new mission that they are given? Has support from the United Nations been obtained for this mission? Most important, where is the Minister of National Defence to answer these questions?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, in the preamble to his first question the hon. member said that the Canadian Armed Forces is not able to do the job assigned to it.

Mr. Axworthy (Winnipeg South Centre): Because of the equipment.

Mr. Andre: No, he was talking about Somalia and in general the Canadian Armed Forces. I would ask him to provide the evidence that the Canadian Armed Forces is not the efficient, capable and the world's best peacekeeper we all believe it to be. He is saying something else. I wish he would provide proof before he makes that accusation.

With regard to Bosnia and Srebrenica, in particular, the Canadian military now in Srebrenica is there to enforce the ceasefire, to disarm the Bosnian Muslims and to provide humanitarian aid to the wounded and weak. It is performing that role admirably. Obviously if there is a full-scale attack by the Serbians or the Bosnians it will not be able to defend Srebrenica. However that is not its mandate from the UN.

In terms of other countries being invited, the objective is very simple. It would like to raise the stakes to put a situation where there is a multinational force there so that any attack on the city by the Serbs or the Muslims would be, in essence, an attack on the entire world. It raises the stakes and the cost of any such attack, therefore increasing the likelihood that it will not occur. If the Canadian forces are attacked, they are the most experienced peacekeepers in the world. They are aware and capable of protecting themselves.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, I have a quick response to the minister when he asks about the concerns we raised. The concern was raised by the chief of defence staff himself. He said there was a breakdown in discipline and leadership of our troops in Somalia. It would seem to me that any government or any minister who had any interest at all in the welfare of those troops would be in a position to respond to that very serious concern raised by the chief of defence staff.

[*Translation*]

We are faced with a crisis of confidence on the role of Canadians in Somalia, with high risks for troops in Bosnia, and a Minister of National Defence who stays away from Parliament and fails to recognize the seriousness of these events for Canadians.

I want to ask the Acting Prime Minister to take immediate steps to replace the Minister of Defence with someone who recognizes the responsibilities of her position and will report to the House on the very serious events involving Canadian peacekeepers.

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the hon. member was engaged in his earlier comments in a practice which does not really help to better understand the situation.

He takes a comment from the CDS on a specific instance in Somalia and generalizes it to the comment he made that the Canadian Armed Forces is not able to perform the task assigned to it. That is absurdity and there is no evidence to substantiate that.

The unfortunate incidents in question are being fully investigated. The hon. member should allow that investigation to proceed without prejudicing it by making these wild accusations and extrapolations.

Mr. Axworthy (Winnipeg South Centre): It is the government that is incompetent, not the military. It's the minister of defence.

• (1125)

Mr. Andre: The reality is that our troops in Yugoslavia, by all accounts from everything I have heard, are performing admirably. They were asked to go into Srebrenica because of their quality, experience and ability. How the member translates that into some sort of crisis that the military is coming apart, is incompetent and that only by answering the hon. member's questions in this House can these problems in Yugoslavia be cured is absurd.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, my question is for the government House leader.

The Minister of National Defence disagrees with the chief of staff of national defence. That minister should be here either to defend that particular chief of staff or to deny those accusations. Last night the Minister of National Defence said that it was good she is not in the House of Commons to answer questions.

Why does the government think it is good that the Minister of National Defence will not answer questions about the military mandate given to our forces in Bosnia? Why does the government think it is good that the minister does not answer questions about the role of the troops in protecting 30,000 refugees in Bosnia? Why is it that the Government of Canada believes Parliament be denied answers from the Minister of National Defence on these most important matters affecting Canadian troops as well as our international reputation?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, of course the Minister of National Defence never said any such thing.

Mr. Milliken: You better read the quotes, Harvie.

Mr. Andre: The Minister of National Defence said, as I indicated earlier, and I do not know if the hon. member was at the briefing by the Judge Advocate General or not. If he had been he would have heard the Judge Advocate General confirm that the Minister of National Defence has certain judicial responsibilities in respect of military justice and in that respect it is most inappropriate for her to be discussing or answering questions. Indeed, the difficulty is that inadvertently, through the kinds of questions that have been coming in this House, something might be said that would prejudice the case. It was only in that context. To extrapolate from that the suggestion that covers the entire gamut of DND operations is absurd. She said no such thing.

The hon. member also said in his preamble that the Minister of National Defence disagrees with the CDS about the fundamental operations and therefore—

Mr. Dingwall: If she doesn't she should be here. Where is she?

Mr. Andre: The hon. member makes absurd allegations and then demands that the Minister of National Defence come here to answer these absurd allegations. Make reasonable questions and perhaps you will get reasonable answers.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, the minister opposite is trying to build a case and trying to shield the Minister of National Defence in that opposition members somehow are asking specific questions with regard to possible criminal

investigations as to who did or did not do what. We are not asking for that kind of information.

Why does the government think it is good that the Minister of National Defence is too busy to answer questions about her own personal role and about ministerial responsibility? Is it not the responsibility of the Minister of National Defence to answer questions when there is a crisis of confidence in the minister's management of the Department of National Defence? Is that not her responsibility?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, there is no crisis of confidence in the Department of National Defence. However there is a crisis of confidence in the Liberal Party because of what the polls are saying. Let us make it abundantly clear what this is all about. This is not some new-found concern about the capabilities of the Canadian Armed Forces on the part of the Liberal Party.

In respect of the particular details of the incidents that have been asked about in this House and so on, I have provided all of the information I possibly can without prejudicing the cases. The Minister of National Defence would provide exactly the same answers to those questions because there is a prescription in terms of what answers can be given to those questions.

I am sure hon. members, deep in their hearts, when they get past worrying about the polls, will recognize that it is most unreasonable to be pursuing these kinds of questions.

Mr. John Brewin (Victoria): Madam Speaker, the people of Canada are going to judge the government House leader very harshly for turning this into a very partisan issue in the way he just did. There are differences across this House, but to suggest that my friends on the right are raising this matter because of the polls is beyond belief.

• (1130)

When our peacekeepers are on the front lines in Bosnia and Somalia there are legitimate concerns. Let me suggest that with the very serious events taking place now in Bosnia and Somalia, none of which would interfere with the investigation or the legal proceedings and all of which have to do with the duties and the responsibilities of the Minister of National Defence under the Defence Act and, above all, have to do with our peacekeepers in the field, the minister should be here in the House to respond.

Will the government not agree that her primary duty is for the safety and reputation of Canadian peacekeepers and her first responsibility is to the people of Canada, to the House of Commons and to our peacekeepers and their families to answer questions about these matters?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the hon. member said there are serious problems in Bosnia in respect of our peacekeepers. There are serious problems in Somalia in terms of their ongoing role.

Other than those incidents which are being investigated and which we talked about earlier, what are these serious problems that are not being addressed? What is the crisis?

He then proves my point. Instead of asking about these particular serious concerns he claims are there, he turns around and asks a question designed to damage the reputation of the Minister of National Defence. I think that proves the allegation I made earlier.

Mr. John Brewin (Victoria): Madam Speaker, let me ask some precise questions about the situation in Srebrenica. First let me say that all members of this House fully support our heroic peacekeepers there and fully support the United Nations establishing a protected enclave there.

The questions are these, and I would be very interested if the minister were prepared to give us some specific answers. Have the Canadian forces in fact been ordered to defend Srebrenica as indicated today in the media? If so, who made the order? Is it accepted as a valid order under the security resolution by this government? Can the government assure Canadians that Canadian troops have not been put in a completely indefensible position and that the government has in fact been successful in getting other UN members to have their troops in that enclave to join in the defence of Srebrenica?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the answer to the first question is no, the Canadian forces have not been asked or ordered to defend Srebrenica against a full-fledged attack by either side.

They are there attempting to maintain the cease-fire and providing humanitarian aid. As I indicated earlier, there have been discussions with the British and French officials. The Secretary of State for External Affairs has had discussions with the British and French to see if we could internationalize the forces in Srebrenica, thereby escalating the price that would be paid by any aggressor that attacked the town itself, making it an attack on the entire world.

It is quite clear that the 150 Canadian troops could not defend Srebrenica on their own. If they are attacked, as I indicated earlier, given the long experience of the Canadian Armed Forces they are capable of taking necessary action to protect their own welfare.

Mr. John Brewin (Victoria): Madam Speaker, the answer seems to be different from that of the Secretary of State for External Affairs who was quoted as saying she was making every effort to try to get other countries there.

I would appreciate it if the minister could clarify that. While he is on this feet, it would be appreciated if he could tell the House that. He asked for some specific questions.

In December, when our forces went to Somalia, it was reported that no rules of engagement covering our forces in Somalia had been adopted by the Government of Canada, by cabinet. I would like to know if rules of engagement have subsequently been adopted by the cabinet and, if so, would the minister explain to the House precisely what they say in respect of dealing with unarmed Somali, three of whom have been reported killed by Canadian forces in Somalia?

• (1135)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the rules of engagement are rules of engagement that apply to all the forces in Somalia. Indeed to give out the details of the rules of engagement would risk compromising the operations in Somalia. It would be contrary to the agreement we have.

However, a broad outline of the rules of engagement could be provided to the hon. member. I will look into providing him with a briefing if he truly is interested in that.

In terms of the rules of engagement, as I indicated they are international rules of engagement. We have agreed to them along with all the other countries that are participating in this operation.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, there are certain rules and regulations that are secret, but policy and the role of a minister are public policy and for public knowledge.

The Official Opposition has the highest respect for all peacekeepers around the world. We are asking serious questions and we demand serious answers. The minister should not be making light of our questions as he did previously.

A spokesperson for the Department of National Defence stated this morning that the 150 Canadian peacekeepers are too ill equipped and outnumbered to provide any defence of the town of Srebrenica. Two Canadian platoons sent from Tuzla to reinforce the Canadian troops were turned back by Serbian forces. France and Britain have ignored Canada's SOS for more troops.

What plans does the government have to ensure the safety of our peacekeeping troops and prevent a wholesale slaughter of the now defenceless Muslims?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I dispute absolutely the allegation or the accusation by the hon. member that we have treated lightly the serious questions. The serious questions we have treated seriously, but there have been a lot of less than serious questions answered which we have treated with the respect they deserve.

In terms of the 150 peacekeepers in Srebrenica, as I indicated earlier of course that is not a sufficient force to defend Srebrenica against an all-out attack by either side. I indicated that. That is not the intent. That is not the purpose. That is not why the Canadian forces are there. They are there to observe the cease-fire, to implement the cease-fire and to provide humanitarian aid. So far the cease-fire is holding.

I have told the hon. member that the Secretary of State for External Affairs has talked to her French and British counterparts about getting troops from those countries in there to internationalize the force. They have not said no. They have not responded to the request. To translate that into a firm no, as the hon.

member did, is a distortion and not helpful to the understanding of this serious situation.

If in fact the Canadian troops are attacked as a result of a breakdown in the cease-fire and so on, they are the most experienced troops in the world in terms of defending themselves and would take necessary action to defend themselves.

We are not expecting that. We are not hoping for that. The cease-fire is holding. We are endeavouring through diplomatic means and other means to make alterations so that the cease-fire will become permanent and we will be able to make that an internationally protected enclave.

Mr. Jesse Flis (Parkdale—High Park): My supplementary question is for the same minister, Madam Speaker. His answers are just confusing the mandate even more.

Yesterday the Acting Prime Minister rose in the House and declared unequivocally that the mandate of the Canadian UN peacekeeping forces in Srebrenica is simply to disengage both sides. "Our troops will protect themselves only and not the inhabitants of the town", he said.

Today we learned from the media, not from the minister of defence, that the UN has ordered Canadian troops to defend Srebrenica which goes far beyond the original mandate of using force only to defend humanitarian convoys, which he just said earlier in his response.

Will the minister clarify for Canadians what is the main goal of the Canadian troops in Srebrenica? Is it consistent with the original mandate given by the United Nations? Canadians have a right to know.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I guess I will repeat it for a third time.

The troops are there, as I said yesterday, which is entirely consistent with what I said today, to implement the cease-fire which is holding. They are there to help in disarming the Muslim troops who have given up their arms. They are there to help provide humanitarian aid. They were never there and they have not been ordered to be there to protect Srebrenica against an all-out attack from either side.

• (1140)

Mr. Flis: That's not what the UN said today. You have been around long enough to know better.

Mr. Andre: The hon. member will not allow me to give an answer. He takes these little snippets here, exaggerates them to extreme and then lectures me on not treating him seriously.

I recognize that it is a serious situation. I would ask the hon. member to recognize that the role of the Canadian troops there is well understood by anybody who chooses to understand. What we are trying to do through diplomatic means and through co-operation of other countries in the UN is to make the thing stable on a more permanent basis.

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EMPLOYMENT

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, my question is for the Acting Prime Minister.

Roughly two months ago it was the removal of the sea cadets school in Lake Winnipeg with the loss of six permanent jobs and 47 seasonal jobs. Just now I have been informed that the government plans to close the instrument check pilot school in Winnipeg and move it to Ottawa.

For the knowledge of hon. members, this school provides advanced pilot training in instruments for night landings to pilots. Dismantling of the sophisticated training infrastructure has already begun. They have started moving it to Ottawa. This move affects seven professionals and several support staff.

Why is this government continuing to remove high quality, highly skilled, value added jobs from Manitoba? Why continue to pick on Manitoba?

An hon. member: Because they don't like you.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I do not know what the hon. member is suggesting. I will have to look into the details of the specific changes.

The Canadian Armed Forces, in view of the fact that we are not able to give them the necessary budgets to carry on in the manner we would all like to see them carry on, ise rationalizing, making its operations more

efficient and so on. From time to time operations are moved from one location to another.

Winnipeg remains the headquarters of the air wing of the armed forces and will continue to remain. The presence of the military, the air force in particular, in Winnipeg and Manitoba is assured for as long as anybody can see into the future.

Mr. Ronald J. Duhamel (St. Boniface): Someone said they don't like Manitoba; I am starting to believe it.

[*Translation*]

The government is again abandoning Manitoba, and this is not good news. We still remember the aerospace contract we lost a few years ago. I want to ask the minister why the government is penalizing Manitoba, and Winnipeg in particular, by relocating this vital industry, the aerospace industry.

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, of course the hon. member who is a representative from Manitoba is very worried and very interested, and quite rightly so, in the defence activities in his province because of the jobs that are created there.

Therefore he surely must be pleased that such a large proportion of the subcontracts on the EH-101 are going to Winnipeg first and will generate so many high-tech, high quality jobs. He must be absolutely delighted with the information put out recently by the Minister of Agriculture pointing out that, I think, Manitoba is only second in the country in terms of the provinces in regard to the amount of federal assistance, federal contributions and federal activities that go to that province.

I think the hon. member in looking at the position of Manitoba *vis-à-vis* the other provinces in Canada must be very delighted at how generous this government has been to his province.

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TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, my question is for the Minister for International Trade or his surrogate.

Currently the United States, Canada and Mexico are engaged in negotiations under an agreement known as the North American free trade agreement. Parallel accords are part of that agreement. The United States has stated clearly that it will not sign an agreement without parallel accords regarding labour, health and safety standards and the environment.

Currently after second reading in this House we have sent the bill to committee where already we have been notified of closure.

How can we deal with the bill in committee with closure when we do not have in front of us or in front of the House the content of even the drafts of the parallel accords? How can we go ahead with it when the parallel accords have not even been presented to the House?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I would like to remind the hon. member what my colleague, the Minister for International Trade, has said very often in the House, that NAFTA stands on its own. As for the parallel accord, we were way ahead of the Americans and the Mexicans in wanting to explore these issues.

• (1145)

The hon. member should allow me to remind the House of the very extensive consultation that has taken place. The standing committee had 27 meetings, 203 witnesses appeared and there were 93 submissions.

Mr. Barrett: Where are the parallel accords?

Mr. Loiselle: There was a subcommittee that looked at all these issues. It held 29 meetings, heard 124 witnesses and studied 95 submissions. I could continue with the number of days spent in this House looking at these issues.

NAFTA stands on its own. It has been studied fully and we are prepared to move ahead with it.

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, this is a miracle that should go down in world history. The suggestion by the minister is that NAFTA has been considered fully by these committees and these hearings right across Canada. However we have never seen the drafts of the parallel accords. How can we study something we have never seen? That is the miracle that should go down in the records.

The government has stupidly passed the bill at second reading, sent it to committee and abandoned its bargaining position on the parallel accords by notifying Mexico and the United States it is prepared to go ahead with anything.

How does the minister justify putting Canada in jeopardy with this legislation by asking a committee of this House and the Chamber here to deal with a bill of which not all of the details have been presented and on which the negotiations have not been completed?

If he has not abandoned our policy at least he has abandoned our leverage on the parallel accords and that leads to a sellout of Canadian interests.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, of course I disagree with the view of the hon. member.

The parallel accords have not been signed, do not exist and so they cannot be brought in front of this House. The treaty exists, has already been signed by the three countries and should proceed.

Mr. Barrett: That is my point. They do not exist.

Mr. Loiselle: When the parallel accords are developed—they are parallel—we will look at them. We are the country pushing for these kinds of agreements and we will be glad to bring them to the House when the time comes.

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AIRLINES

Mr. John Manley (Ottawa South): Madam Speaker, my question is for the Minister of Transport.

Mr. Barrett: That is sheer stupidity. You have abandoned our position.

Mr. Mazankowski: Get thrown out and you will get a little attention.

Some hon. members: Oh, oh.

An hon. member: Order.

Madam Deputy Speaker: Thank you. I would very much like to hear the hon. member for Ottawa South.

Mr. Manley: Madam Speaker, the Competition Tribunal in its decision yesterday warned: "Existing charter carriers, even if they expand upon Canadian's exit, cannot compensate for Canadian's removal. The possibility of new entry is remote and will not provide adequate competitive discipline to Air Canada".

My question for the minister is this. Does he have any plan to deal with the emergence of a domestic airline monopoly which has been predicted by the Competition Tribunal in its decision?

Hon. Jean Corbeil (Minister of Transport): Madam Speaker, I do not know on what basis the hon. member reaches that conclusion.

The matter is being examined at the present time by the NTA. There was a decision yesterday by the Competition Tribunal which I understand is going to be appealed by Canadian Airlines. We cannot conclude as the member erroneously does at this time that there is imminent danger of a monopoly.

Mr. John Manley (Ottawa South): Madam Speaker, I presume from the minister's answer he rejects the conclusions of the Competition Tribunal which I quoted.

No one is asking him to comment on the substance. What I would like to know is whether he continues to believe, as he claimed in the House a year ago to do: "It is in the best interests of consumers and the travelling public in this country to have two airline companies".

What is this minister's bottom line for the Canadian airline industry?

• (1150)

Hon. Jean Corbeil (Minister of Transport): Madam Speaker, the bottom line is that we should let the present process proceed through the different tribunal and quasi-judicial agencies. When it is finished we will know exactly what the situation will be at that time.

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OZONE LAYER

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, my question is for the Deputy Prime Minister.

Already this year on the few sunny days we have had in Canada we have seen the results of an unusual number of Canadians who have been out in the sun, obviously unaware that the ozone layer over Canada has thinned to such an extent that the risk of sunburn and cancer is at record levels.

The Minister of the Environment has known for some time that we face increased danger this spring and summer. Why has the Minister of the Environment failed to launch a massive and aggressive campaign to warn Canadians of these new dangers and how to protect themselves and their children from the new risks of sunburn and cancer as a result of the thinning ozone layer over Canada?

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Madam Speaker, I would like to bring to my hon. colleague's attention that that in fact is what the minister has done.

We have introduced two programs that deal with providing information to the public about the ozone layer. One is called the Ozone Watch Program where every Friday there is a reporting of just what is the status of the ozone layer. We get that through all the media sources.

The second program is called the UV index and was launched in May of last year. We get that information on a daily basis. Every day we get the information about what is happening and how Canadians can take measures. We encourage Canadians, particularly those who are subject to sun, to take protective measures.

I would like to add one more thing. The real issue is how do we deal with this problem effectively in terms of reducing the substances which add to the problem. That is where Canada really is in a leadership position, not only through the implementation of the Montreal protocol but the co-operative work that is now going on between the federal and the provincial governments. We are all coming to grips with introducing the consumption and—

Madam Deputy Speaker: I think the minister will have an opportunity to continue later.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, my supplementary question is for the same minister.

A minister who is serious about reducing health costs would have mounted a major prevention campaign this spring to warn Canadians about increased dangers to their health. A minister serious about stopping destruction of the ozone layer would have reacted when only one Canadian province met its obligations under the national action plan to protect the ozone layer.

I ask the associate minister when we can expect national leadership from the Minister of the Environment, given the risk that we now know exists to our health and to our children's health?

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Madam Speaker, I can assure my colleague that is exactly what is happening. We are providing the information. We are one of the leading countries in being able to provide it. We are also taking steps to deal with the long-term problem.

I remind my hon. colleague that eight of the ten provinces now have the appropriate regulatory environment by which they will start the recovery of the substances which contribute to this problem.

We have set our goals. We have set our standards. We have the plan of action in place. Obviously Canada is one of the leaders in this field and will continue to be a leader under the minister's very progressive policies.

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THE BUDGET

Hon. Lorne Nystrom (Yorkton—Melville): Madam Speaker, my question is for the Minister of Finance and concerns his budget of Monday.

As the minister knows, a majority of the provincial governments have brought down their budgets. The federal budget is later than they had expected.

In light of the debt crisis and the problems the provinces are having, can the minister give us a guarantee that on Monday in his budget there will be no unilateral changes to the formula for transfer payments? It is very important to the fiscal position of those governments and jobs in the provinces like Saskatchewan, Manitoba and others.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member will just have to wait and see. I think he recognizes, as he alluded to it, that all provinces recognize the serious national debt problem we face.

• (1155)

I noted this morning the provincial treasurer of Ontario brought out an expenditure control plan which affects all the sectors of government spending in Ontario. I noted that he said: "We must deal aggressively with the debt problem so that it does not overwhelm the economy". I think that is a view shared by all governments in Canada.

It is also noted that Ontario has cut transfer payments to the municipalities. It has cut its payments in lieu to education and social services—

Mr. McKnight: As has Saskatchewan.

Mr. Mazankowski: —as has Saskatchewan. This is in recognition of the tight fiscal situation in which we all find ourselves.

Bearing those things in mind, we will always ensure that the interests of Canada are taken into account. We hope we will be able to bring forward a budget that has balance and is achievable.

Mr. Milliken: You have not done anything for nine years. Why the conversion?

Mr. Mazankowski: For nine years members opposite voted against every restraint measure that we brought forward.

Hon. Lorne Nystrom (Yorkton—Melville): Madam Speaker, the reason I asked the question is that in the past the government has been offloading its debt problems on to the backs of the provinces.

Saskatchewan for example is $500 million short of where we would have been without the changes in the formulas for transfers to the provinces.

As a supplementary question I want to ask whether this minister, who is the Deputy Prime Minister and who has a lot of clout across the way, can give us an assurance that in the future as long as this government is in office there will not be unilateral changes to the formula for transfer payments at all.

If there are any changes, will there be consultation with the provinces ahead of time?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member referred to the province of Saskatchewan.

Transfers to the province of Saskatchewan have grown at a rate of 7.4 per cent per year since 1984–85. It is the largest rate of increase of probably any of the provinces, amounting to something like $1,450 per person.

That is 7.4 per cent per year when over–all program expenditures of the government were growing at 4 per cent or less.

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LOBSTER FISHERY

Mr. Bill Casey (Cumberland—Colchester): Madam Speaker, my question is for the parliamentary secretary to the minister of fisheries, clams and lobsters.

Some hon. members: Oh, oh.

Mr. Casey: The Cumberland North Fishermen's Association has unanimously asked the DFO to increase the minimum lobster size in the Northumberland Strait area. It has asked this over and over again. It is strictly as a conservation measure at its own expense.

Is there any way this area along the Northumberland Strait can be designated to have an increased minimum lobster size?

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, I appreciate the question is being asked on behalf of the fishermen in the Northumberland Strait.

It is a very contentious issue in the total area. In the adjacent province fishermen do not want to see the carapace size raised at this time. There have been extensive consultations but they were not able to be concluded in time to make an announcement for this spring.

Consequently the minister at the end of March said there would be no increase in size in any of the areas this year. The short answer to his question is no, it will not happen this year.

Routine Proceedings

NATIONAL ACTION COMMITTEE ON THE STATUS OF WOMEN

Mr. John A. MacDougall (Timiskaming—French River): Madam Speaker, my question is for the Deputy Prime Minister.

Earlier today I learned that the incoming president of the National Action Committee on the Status of Women first is not a Canadian, and second does not have a work permit for this country.

Does the Deputy Prime Minister believe that the immigration department should review this person's work status in Canada? Does the Deputy Prime Minister believe that the taxpayers of Canada should be funding such an organization with an illegal immigrant as its head?

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Madam Speaker, I do not think it would be appropriate for me to comment on the first part of the member's question. That question should be put to the Minister of Employment and Immigration.

I could comment on behalf of my colleague, the Secretary of State who is responsible for the women's program, about the purpose of that program. It really is not often well understood.

I know my colleague will disagree with many of the policies or statements of NAC. I do from time to time as well. Nevertheless we have a women's program in place which has been absolutely critical to the advancement of the legal, economic and social equality of women in this country.

There are many women's organizations from the Association of Women in Universities to the National Women's Council, including NAC that count on certain elements of support from that program. It enables both them and the government to work in partnership toward achieving that equality.

• (1200)

Madam Deputy Speaker: We will finish with a single question. The hon. member for Haldimand—Norfolk.

LAND CLAIMS

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, my question is for the minister speaking for the minister of Indian affairs.

The minister of Indian affairs is aware that I brought to his attention the crisis surrounding the Dunnville Dam and Weir Rehabilitation Project which stems from 20 unresolved land claims presently being reviewed by the Department of Justice. The first four are related to Dunnville. Until these claims are settled, chances of an agreement to make the necessary repairs on the dam and weirs are minimal.

Will the minister instruct the Department of Justice to give the issue priority status in order to minimize any environmental damage that might be caused by the delays?

Is the minister prepared to speed up the decision on these land claims? Is he committed to fast tracking these claims in order to help remove this crisis?

Hon. Bill McKnight (Minister of Energy, Mines and Resources): Madam Speaker, on behalf of the minister, the hon. member is fully aware that the Dunnville dam and weirs are a provincial-municipal responsibility. The Welland canal claim which impacts on that area is a high priority claim.

The hon. member and other members of the House understand the priority the government and the minister have put on settling outstanding land claims on behalf of Indian people. Since 1984 the government has settled more land claims and disputes put forward by Indian people in the last nine years than had been done in the previous quarter century.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING OF REVISION AND REFERENCE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments 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.

* * *

THE BUDGET

DESIGNATION OF ORDER OF THE DAY

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, while I am on my feet, pursuant to Standing Order 83(2), I ask you to designate an Order of the Day for a budget presentation on Monday, April 26, 1993 at 4:30 p.m.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 35 petitions.

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

* * *

HOUSE OF COMMONS

MEMBERS AND PAGES HOCKEY GAME

Mr. Doug Fee (Red Deer): Mr. Speaker, at the request of several members of the House I would like to table the official score sheet of the hockey game between MPs and pages last night.

Several members have expressed interest. Some were not able to play because of age, physical condition or duties and I know they would be interested in knowing that this tradition is continued. It was a very interesting and hard-fought game.

The Acting Speaker (Mr. Paproski): I am sure we have unanimous consent for that. What was the score?

An hon. member: The score was 8 to 7.

Mr. Fee: Mr. Speaker, if it was not for a referee from *Hansard* who was a little blind and missed my goal in the third period we would have tied the game.

HOUSE MANAGEMENT

88TH REPORT OF STANDING COMMITTEE

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I have the honour to present the 88th report of the Standing Committee on House Management regarding the selection of votable items among Private Members' Business.

Pursuant to Standing Order 92(2), this report is deemed adopted when laid upon the table.

PUBLIC ACCOUNTS

12TH REPORT OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty and honour to present, in both official languages, the 12th report of the Standing Committee on Public Accounts.

This report deals with the issue of tax arrangements for foreign affiliates. Pursuant to Standing Order 109, the committee requests the government's response to this report as soon as possible.

* * *

PUBLIC ACCOUNTS

13TH REPORT OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, while I am on my feet I also have the honour to present, in both official languages, the 13th report of the Standing Committee on Public Accounts.

The committee has considered Vote 35 under Finance in the Main Estimates for the fiscal year ending March 31, 1994 and reports the same.

We are very proud that our estimates have been tabled to the House and hope all committees will do the same.

* * *

• (1205)

BILL C-118

REPORT OF LEGISLATIVE COMMITTEE

Mr. Doug Fee (Red Deer): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-118, an act to amend the Export Development Act, without amendment, in both official languages.

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

* * *

[*Translation*]

PETITIONS

HUMAN RIGHTS

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I have a petition to the honourable House of Commons in Parliament assembled.

The undersigned residents of the metropolitan area of Quebec City humbly sheweth:

That the Miranda family should have Canadian resident status. The family consists of Mrs. Carolina Miranda, her son Samael, and little Gonzalo Ignacio who was born here in Canada.

Mrs. Miranda and her son Samael are from Guatemala. Although under an agreement, Guatemalan nationals are able to return to their country, it has been confirmed by the Quebec—Central America Committee, Amnesty International and other organizations that the human rights situation in Guatemala is not improving.

Mrs. Miranda is afraid her son Samael will be kidnapped and used as a hostage, to try to flush out his father, Armanda Castillo, a Guatemalan who disappeared several years ago. He is apparently still alive and being sought by people who, since then, have killed two of his brothers, Samael's uncles.

Considering that Samael has adjusted to life in Quebec, plays hockey and speaks French like all little Quebecers, and considering that Gonzalo Ignacio was born in Canada and thus has Canadian citizenship, your petitioners humbly pray and call upon Parliament to consider this a humanitarian case and keep this family in Canada.

[*English*]

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the petitioners who signed my first petition ask the government to delay the decision with respect to the merger of the Social Sciences and Humanities Research Council with the Canada Council.

They point out that Canada's greatest challenges today are in the area of social problems, whether we talk about the deficit, the debt, poverty, unemployment, social assistance, food banks and many others. They simply ask the government to defer the decision and study it again. If it then feels this is a good decision then it should go forward. However, to date the government has proven no savings and no increased effectiveness, and therefore that is their request.

TELECOMMUNICATIONS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, in my second petition I have a group of petitioners who ask Parliament to ensure that the CRTC makes absolutely certain that the use of foul language, abuse and violence on radio and television does not occur. They point out that it goes contrary to their efforts to raise their families in a particular way. They also emphasize that it is not necessary to use foul language to entertain in English or in French.

SERIAL KILLER BOARD GAME

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have the duty and privilege of presenting a petition pursuant to Standing Order 36 signed by residents of my constituency from the communities of Hafford, Goodsoil, Pierceland, and Blaine Lake, Saskatchewan.

The petitioners acknowledge that studies have shown a link between violence in entertainment and desensitization to violence in our society. They note that part of this culture of violence is a serial killer board game which has as its point murdering defenceless children and adults.

The petitioners state that the laws of Canada do not deal with material such as this and they call upon Parliament to consider amending the Criminal Code of Canada so that violent and degrading material, such as the serial killer board game, can be kept from being distributed in Canada.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the following questions will be answered today: Nos. 466 and 467.

[*Text*]

Question No. 466—**Mr. Boudria:**

With respect to the Department of Finance, (a) how many persons are employed to administer the goods and services tax (b) what does it cost to administer the tax?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): With respect to the Department of Finance, (a) none, (b) nil.

Question No. 467—**Mr. Boudria:**

With respect to the Department of National Revenue, (a) how many persons are employed to administer the goods and services tax (b) what does it cost to administer the tax?

Hon. Otto Jelinek (Minister of National Revenue): (a) It is forecast that in 1993–94 there will be approximately 4,400 full-time equivalents in Revenue Canada to administer the goods and services tax.

(b) It is forecast that in 1993–94 it will cost approximately $390 million in Revenue Canada to administer and collect the GST.

[*English*]

The Acting Speaker (Mr. Paproski): The questions as enumerated by the parliamentary secretary have been answered.

Mr. Belsher: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1210)

[*English*]

BUDGET IMPLEMENTATION (GOVERNMENT ORGANIZATIONS) ACT, 1992

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C–93, an act to implement certain government organization provisions of the budget tabled in the House of Commons on February 25, 1992, be read the third time and passed.

The Acting Speaker (Mr. Paproski): I believe the hon. member for St. Boniface had the floor. He has 34 minutes remaining. There are no questions or comments.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I appreciate being given the opportunity to continue my address on Bill C–93. As I pointed out, it is a massive bill that attempts to give a very false impression. The government is trying to suggest that it is streamlining government. It is saying that it will save money and bring about increased efficiency and effectiveness. Of course this is blatantly false.

No government official has given any proof of that. What is worse, there have been no studies to show it. We have called upon them time and time again. We know full well it is an attempt to reach the Reform Party's agenda, the Conservatives' kissing cousins.

There are no savings. There is no proof that there are. There is no increased effectiveness or efficiency. There is no proof that there is. There are no studies, but now in a moment of panic all of a sudden we see new figures appearing. Obviously the big hand of someone has come down and said: You better buttress our case. That is your job. I am sorry for the government, but it is too late.

Treasury Board officials provided no proof. Mr. Speaker, you should have been there because you would have felt, as I did, that it was so sad to see these poor officials out there trying to defend the indefensible.

An hon. member: Hung out to dry.

Mr. Duhamel: They were hung out to dry. Then they brought in the big shooters from the Privy Council and I thought perhaps we would get some answers then. To be perfectly frank and without being unkind in any way, the best I can say is that it was no better than the first set of proofs. It was probably worse. In some instances it will cost more money to the Government of Canada. That is part of the testimony that was made.

Who is opposed to this bill? The government likes to pretend that it is us on this side of the House, and that is true. However virtually everyone who has been involved in this is opposed to this bill. The government has absolutely dismally failed to produce any shred of evidence, but what is worse, it has failed to produce even one credible witness who would say this is a good idea. That is how bad the government's case is.

I think you would agree with me, Mr. Speaker, that when one has such a flimsy case one should withdraw, one should restudy, one should reconsider, one should consult and one should see what could be done.

This bill deals with a number of agencies but let me focus on just a couple of them. For example, Enterprise Cape Breton Corporation was an economic development tool in one of the regions of the country that needs this kind of assistance. It is a region where the unemployment rate is high and where the number of people who require social assistance is high. What does the government do? It merged it. For what reason? To give the impression that it is doing something significant.

Let us go to one of the more contentious parts, which is the merging of the Social Sciences and Humanities Research Council with the Canada Council.

[*Translation*]

In fact, Bill C-93 calls for the merger of several agencies operating in a totally different way. As you know, Mr. Speaker, Canada is faced with numerous serious social problems such as family violence, environmental problems, constitutional uncertainty, native issues, new reproductive technologies, illiteracy, sexual abuse, to name a few. These problems cannot be solved without contribution from social sciences and humanities.

The Social Sciences and Humanities Research Council, created in 1977, was given the responsibility for the programs managed by the Social Sciences and Humanities Division of the Canada Council. It got that responsibility. The government is now trying to eliminate an efficient human sciences research framework. That is what it is doing. The government proposal to merge this agency with the Canada Council is a step back and will in no way help to improve the level of federal support for human sciences research. It is unfortunate because we already have serious problems. Funding is inadequate and the social sciences and humanities community was never consulted about that merger. There was no consultation at all. I urge government to postpone the decision to merge the Social Sciences and Humanities Research Council and the Canada Council. It would be a courageous gesture on their part and I ask government members to consider it.

• (1215)

As you know Mr. Speaker, in 1978, the government decided to create the Social Sciences and Humanities Research Council as an entirely separate agency from the Canada Council. Over the years, we saw them develop very different traditions. In the area of social sciences, scientists work mainly within universities. They have developed a research activity and project evaluation system based on the scientific tradition of peer review. That is very important and we should not let it disappear.

[*English*]

I understand that it is one group testifying against the other and talking about efficiency, savings and effectiveness. Let me use an analogy. It will be appreciated.

Say I have doctors telling me that this is what I have from a physical, emotional or what have you perspective and that this is the treatment that I need. Say, on the other hand, that there are well intentioned people telling me something diametrically opposed to this. That is the case here. I am going to go with the doctors. I am going to go with what they say and not with what the well intentioned people say.

The doctors on these issues have told me something about the merging of Enterprise Cape Breton with the Atlantic Opportunities Agency, the Social Sciences and Humanities Research Council with the Canada Council, the program for Canadian Studies Abroad also with the Canada Council as well as the Agricultural Products Board with the the Ministry of Agriculture as well as the winding up of the Canadian Copyright Board and the transferral of the functions of the Registrar of Trademarks that are currently exercised by the Trade-Marks Opposition Board into a new tribunal to be called the Intellectual Property Tribunal. It is that the current government deserves to be slapped with a nasty malpractice suit. That is what it deserves.

These mergers make as must sense as merging the regressive Conservative Party with the NDP. That is as much sense as it makes.

[*Translation*]

In any case I think it is very clear that this merger was denounced by all concerned. All the organizations that know about the situation of social research in Canada, as well as my party and the party to my left, have asked that Part III, which is the part that provides for the merger of the Canada Council and SSHRC, be withdrawn or, at least amended significantly. Of course, the government carries on and turns a deaf ear to the unanimous appeals made by the academic, scientific and artistic communities.

[*English*]

The government has opted for one stop shopping in its hopes to save money. I wish it were so. It hopes to recoup the popularity of the Canadian people. Unfortunately for those involved in Canada as a whole, this type of one stop shopping may well result in confusion rather than efficiency. That is exactly what is going to happen. One knows that.

There is another reason why I do not like this bill when we talk of effectiveness. Let me say why I do not think that a whole lot of thinking has gone into this. For example, we have had no assurance that the peer review of the government will continue, which is a fundamental principle with respect to research. We have no assurance that the board that will eventually be struck will be representative of the significant people who understand the new mandate. To that effect, I put in an amendment and the government rejected it.

[*Translation*]

This bill is so full of holes that one could drive a Mack truck through it and one big Mack truck, I assure you.

With regard to the removal of the academic relations division and the Canadian studies program from External Affairs, one can say that this useless transfer will generate more expenditures, while reducing the effectiveness of the programs. Let me give you just one example. The Deparment of External Affairs uses the diplomatic bag to reach the numerous foreigners who are linked to programs under the responsibility of academic relations. By being transferred to the Canada Council, this division will no longer enjoy that privilege. This represents tens of thousands of dollars more in postage, for each program. Do you see the contradiction? It is an obvious contradiction.

• (1220)

[*English*]

The International Council for Canadian Studies is concerned about this section of the bill on four counts. First, there is no assurance that the program of Canadian studies abroad will be maintained at its current level. There is none whatsoever. Second, its integrity may not be preserved separately from domestic programs. That is a serious one as well. Third, the essential link between foreign policy and priorities and program policy and delivery will be jeopardized. Fourth, the program will be more costly and less effective.

The fusion or merger of SSHRC with the Canada Council risks, as a parade of witnesses before the committee clearly pointed out, negating the progress that has been made. Just take a look at what is happening.

The government created separate councils in 1978. They proved themselves to be fiscally lean and responsible and then the government throws them back together. Those people still have the gall to call themselves the Progressive Conservative Party.

In my opinion such a bill has proven once and for all that the party across the floor is indeed the regressive party of Canada. It has taken several ingredients that simply do not mix, put them together and thrown them against the wall hoping that they will stick.

In committee the following groups made up of responsible people opposed the bill: The Canadian Conference on the Arts, the Association of Universities and Colleges of Canada, the Canadian Federation of the Humanities, the Social Science Federation of Canada and the Canadian Association of University Teachers as well as most university presidents.

That is an impressive list of witnesses. Not one single witness had anything positive to say about this merger.

It is also worth noting that no studies were forthcoming. I want to stress this; there were no studies. Can one imagine going after a change like this with no studies as to the financial savings? Treasury Board officials did point to a $1 million start up cost for one of those initiatives. Can one imagine that? This once again has insignificant savings over the long run. If there was a $1 million start up cost savings in the long run, then one could argue that—

[*Translation*]

Moreover, a group of academics from four Canadian universities, namely Laval University, University of Québec in Montreal, University of Montreal, University of Québec in Trois-Rivières and the University of Ottawa, rightly attacked shamelessly this bill in a Montreal daily, because they demonstrated, once again, that there would be no savings and that it would not be possible to increase the efficiency of that body.

[*English*]

I suppose it is quite appropriate for people to say: "Oh, yes, you think that; you are the critic; you are in fact in opposition". However, what has been said about this bill by other responsible people? I have an article here by Hugh Winsor dated February 27, 1993. He refers to two civil servants and says:

> The government again responded by sending civil servants from something known as the machinery of government section of the Privy Council Office to the barricades.

That was the second set of witnesses because the first set of witnesses failed dismally. Referring to one senior government officials he said:

> Why these particular 46 groups were chosen was not for him to say. His only concern, as an expert in government organization, was whether or not the merger was doable.

It is important to note whether or not it could be done. Referring to the other senior civil servant, and I appreciate this fact:

> His sidekick— even admitted that it didn't really matter to a government bent on streamlining and reorganization for reorganization's sake whether the clients of the two agencies in question liked the change.

It did not matter.

> Service to the public was a secondary consideration.

This article was by Hugh Winsor. This is not Ron Duhamel the member for St. Boniface. This is Mr. Winsor.

• (1225)

Is that all? Oh, no. We have an article entitled: "Ottawa's shotgun wedding wounds two agencies". It wounds them, perhaps even fatally. Let me quote from this article:

> Many in the academic community see a real danger that SSHRC will face the deep budget cuts that have affected the cultural community.

That is what they fear. This is a smoke-screen for exactly that.

> Despite their strong opposition of Bill C-93, academic and cultural organizations have not behaved inflexibly in this dispute.

That is a laudable point. That is an honourable position. They have not behaved inflexibly.

> A number of amendments to Bill C-93 have been proposed, the most important of which would ensure that parliamentary allocations for academic research and international programs are kept separate from endowment funds to support the arts and culture, and that the new council is well and fully representative of the various communities served.

This is by Claude Lajeunesse and Keith Kelly. This is what these people are saying. These are not irresponsible people. These are highly respected Canadians.

Is that all? No. None other than Jeffrey Simpson says that the Canada Council merger fails the basic test of common sense. Let me quote:

> Nothing in the country could replace the Economic Council—

We have not talked a whole lot about that.

> —or the Science Council.
>
> The agenda had little—

He is speaking about government.

> —or nothing to do with the agencies in question. The Tories, circa February, 1992, were simply feeling antsy about the Reform Party, especially in western Canada. As a sop to this sentiment, the agencies were axed and Bill C-93 took form.
>
> The basic problem with the bill—one pointed out by a parade of witnesses before a Commons committee—is that the Canada Council, SSHRC, and External Affairs' cultural policies have quite different missions. Lumping them together will make things harder for both the expanded Canada Council and for the groups that deal with it.

As I indicated before it makes as much sense as trying to merge the party that forms the government that calls

themselves Progressive Conservatives—I call them regressive Conservatives— with the NDP. It makes no sense.

> Bill C-93, driven by politics but rationalized on grounds of efficiency, may turn the Canada Council into one of those proverbial camels that emerged from a committee trying to design a horse.

Have you heard that story, Mr. Speaker?

> The opposition parties are quite right to kick up a fuss.

That is what Mr. Simpson says. The opposition parties are quite right to kick up a fuss because the government has been dishonest.

I have relayed what some notable Canadians and journalists have said. Let me give some excerpts from committee testimony. We had eminent people such as the assistant secretary of the Treasury Board. I will not go any further. Let me give some quotes: "Bill C-93 is a modest proposal, if you like, from a savings perspective". Did one hear that? "But one will not know what, in reality, has happened until it has". One does not know what is going to happen until it has happened and then it may be too late to correct what has happened.

Let me give another quotation: "C-93 is very much a housekeeping bill". If that were all. I ask if one can tell me whether or not the new board membership will be sufficiently diverse to represent all of the various interests. The Treasury Board has no comment: "I do not have any comments about any of the program budgeting issue in the estimates".

It goes on in response to another question. This is important: "That is an estimate which is in some respects one of the weaker estimates which we have". That was with respect to the merging of the Social Sciences and Humanities Research Council with the Canada Council. "We are expecting the numbers which will result, the savings which will result in the SSHRC and Canada Council amalgamation to be generated essentially by the management when this is done".

• (1230)

We all know that those organizations could have been called in and told: "Here are the budgetary savings we need. Bring us a plan". We did not have to go through all this major surgery, but we did because they wanted to try to impress Canadians.

That is why we see the moral fibre falling out of this. I asked: "Are there studies? If there are, can and will they be tabled?" I said I was not clear on that in spite of my repeated questioning. Here are some of the responses: "The estimates of savings were made by the officials acting in preparation for a budget. There would be no studies which I understand could be released on that subject". Later on in the testimony: "We have no particular studies on costings of these savings". These are statements by senior officials from Treasury Board and Privy Council. It is not the hon. member for St. Boniface who said that. This is the testimony they gave. Is that not deplorable?

I want to share as well a letter I received from the Canadian Federation for the Humanities. Actually it was addressed to the Leader of the Opposition. I want to read three paragraphs:

> As you will know from earlier correspondence and various press releases, Canadian Federation for the Humanities strongly opposes passage of part III of Bill C-93. So does every other academic and artistic group in Canada—no group has endorsed the government's policy.
>
> We have tried to deal in a very reasonable way with the government, meeting them more than half-way on their policy that ways must be found to reduce wasteful government spending. We have simply asked the government to accept that the proposed merger of the Social Sciences and Humanities Research Council (SSHRC) and the cultural exchange programs of External Affairs with the Canada Council could easily cost taxpayers millions of dollars and serious losses in productivity.
>
> The government has consistently been unable to produce any evidence that would support its contention that this merger will produce net savings. Their projections are based solely on the belief that mergers must inevitably produce savings.

That is an assumption and is not a proven one. It goes on:

> This sort of inflexibility, in our view, is disastrous. We favour a much more empirical, though no less vigorous, approach to the management of federal expenditures.

This is the Canadian Federation for the Humanities, a highly responsible group staffed by the finest men and women in the country. Why are we doing this? To meet the Reform agenda.

I have a letter as well from the Social Science Federation of Canada. I want to share a few of its remarks. This is an open letter to the members of Parliament: "The savings are ridiculously small. The merger brings together two agencies that operate quite differently. The merger provides no guarantees for continued effective support for social sciences research.

The amalgamation has taken place without any consultation". I could read more of this into the text but I think I have made my point. "Again we are not at all opposed to sensible, indeed vigorous, economies in the administration of the present councils. The country obviously faces an urgent financial problem, but we are convinced that the costs of this merger greatly outweigh the benefits" and the letter is signed by Robert Nadeau, president.

These are responsible men and women from some of the country's most prestigious organizations and this is what they had to say.

Everyone will be interested in this. There were government members who recognized they had no case. There are sensible government members; I have never said otherwise. They recognized that they had no case. Then they started talking to their political masters to see if there could not be some sort of compromise, some sort of understanding, some sort of meaningful solution.

• (1235)

We had proposed, as had the party to the left of me, that perhaps we could strike part III, just set it aside and study it again. Then if the facts proved that the government's agenda was correct we would go forward. Of course we had a lot of confidence that that was not so but the government did not want to take the risk. Some members wanted to take the risk. They talked to their political masters, but the political masters came down with their big hands and said no, no, no. It stopped at that. We had an opportunity to do what was right.

When I saw that the government would not be sensible, would not remove part III in spite of all of the evidence from the senior bureaucrats at Treasury Board, from Privy Council, the journalists, the various organizations, university presidents and all of those national organizations that are held in high esteem, I asked what it was that could be done. Could there still be something done?

I thought of amendments. Let us at least talk to the organizations and see what amendments might perhaps make a bad thing a little less bad. I moved amendments which would substantially improve the bill as well as address serious concerns expressed by the various communities involved.

For example, I proposed a name change which would much more adequately reflect the composition of the new council. Did the government even look at that? No. I also proposed that separate budgetary appropriation votes be held so that funds to be used for arts were designated as such, so that funding for the social sciences and humanities were used for that purpose and so that money to be used for the administration of the council was used for that purpose. Did the government look at that? No.

These are reasonable proposals: change the name to reflect the various realities; have separate votes to give some additional security to those who are being deeply shaken with these changes. Through amendments supported by the Social Science Federation and the Association of Universities and Colleges, I also proposed that board membership be representative and that board members have a certain degree of expertise in the areas in question. That is what I proposed.

[*Translation*]

I suggested changing the name to reflect the reality of what was happening, to ensure that these various organizations could be identified. I proposed that separate budgetary appropriation votes be held so that we could see exactly how much would be spent in each sector.

Mr. Speaker, it is important and I know that you understand and are sensitive to it. I also suggested ensuring that any appointees to a board of directors to represent the organization and help run it should come from the various sectors that were merged to be part of this new entity.

I also asked that the men and women chosen be people who know the field, in order to avoid partisanship and appointing one's chums, one's friends and family members and so on. I wanted to ensure that there would be men and women—and there are many here in Canada—who thoroughly understand these different sectors and can give them outstanding leadership, because that is what it will take and you realize that because, frankly, this is a creation that does not stand up.

[*English*]

The government even refused that.

I had difficulty in understanding why it would refuse rescinding part III. I had a great deal of difficulty particularly after I saw some colleagues who were willing to talk, but they wanted to save face. I do not think it was

a good enough reason in view of all of the evidence, but I thought surely they would look at some of those amendments.

I made those amendments with respect to the merger of the Social Sciences and Humanities Research Council with the Canada Council, but I also made additional amendments with respect to the review. The organizations told me that my amendment with respect to the review was superior to the government's. Would it look at mine? Absolutely not. It was as bone-headed as it could be and went forward with what it had.

• (1240)

SOCAN had contacted me because it was concerned with the wording in certain sections of the bill and felt that it would be unfair. Did the government look at that? No. Copyright tribunal individuals had difficulties and suggestions were made. Did it look at those? No. One can see how reasonable the opposition has been. It has been extremely reasonable. Let me review the large parts.

This bill was presented a long time ago as a result of budget decisions made by the government. People asked what was going on because there had been no consultation. We recognized immediately that key organizations such as the Economic Council of Canada were being removed. Everyone knows the government needs help in the area of the economy. When there are 1.5 million people unemployed, 2.7 million people receiving welfare, over 2 million people being fed by the food banks this year, a deficit that is over $30 billion and a debt that has almost tripled since 1984, the government needs expert advice, but no. It zaps those councils and those associations that could have been of great assistance to it.

We tried to rescind the most critical part. What happened? Nothing. We put forward reasonable amendments to try to fix it a bit, to make something terrible at least more or less palatable. What did government do? It was totally inflexible. Totally, totally inflexible.

Of course, the government comes to this House today suggesting that it is we, the opposition. Well, I am sorry. Yes it is we the opposition, but it is also all those organizations I mentioned and many others throughout the land who are saying that this is no good, that there are no savings, that this is a smoke-screen and there are no increased efficiencies or effectiveness. This is a government agenda to try to get Canadians to rally to its cause.

With this kind of smoke-screen and with this kind of deceit and manipulation, it is not going to happen. It is not going to happen. The government has been unreasonable. It had plenty of opportunity to fix it. It had many opportunities and it has failed. It would not listen.

I for one am deeply disappointed. I would have thought at the last minute that common sense would have set in. No, in spite of the fact that all witnesses were against it, not one single credible witness was brought forward, despite statements quoted today by its officials that this was a bill that would not save substantial moneys. Even one of the politicians said that it was primarily a symbolic measure. I thank that hon. member for having been that honest.

The government wants Canadians to trust it. Yes, one of the leadership contenders said that. "Trust me." Believe you me, Mr. Speaker, Canadians are not going to trust this government any more because of the decisions it makes.

Initially, the parliamentary secretary pointed out that Liberals have consistently opposed legislation which his government has put forth. We will continue to oppose legislation that does not put the people of Canada first. This bill does not put the people of Canada first. I will not support it and my colleagues will not support it. Canadians will not support it or this government at the next general election.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, it is really not with pleasure that I rise today on third reading of Bill C-93. In fact it saddens me.

Unfortunately what I suspect is being completed here today makes it a sad day. It is a sad day for research in this country. It is a sad day for the Social Sciences and Humanities Research Council of Canada. It is a sad day for the external cultural programs of our country. As well it is a sad day for our parliamentary tradition and our parliamentary institution.

• (1245)

The area of the bill we are debating that concerns me most is part III. It brings together the Social Sciences and Humanities Research Council, the cultural programs of

External Affairs, the old Canada Council and folds them all into a new agency.

It is sad because the motivation behind this—I will come back to that at length in a little while—is purely political and short term. The idea grew out of the minds of a few people in Finance. We understand there was no consultation with the appropriate departments or ministers. Certainly there was absolutely no consultation with the social scientists and the humanities nor with the arts community. It was a decision made solely by a few individuals in Finance.

As has been pointed out over and over again in discussions in this House, when we had officials from the government, the Privy Council, the Department of Finance and Treasury Board none of them were able to give us any justification for the statement that there would be cost savings. In fact we obtained through freedom of information the government's own estimate of what the savings would be. That document showed there would be zero savings in the next five years.

I tried in committee to get the head of the new Canada Council as well as the ministers in front of us but that was turned down by government members on the committee.

I kept asking why they were doing this. The only rationale was it might save us some money. When we pushed them to prove this to us they were not able to do it. It was finally admitted by somebody from Privy Council that it was doable.

How sad it is that public policy on something as important as this is being determined purely on the political notion that it somehow or other might appease the right wing and that the right wing might continue to support the Conservation Party. That is the only rationale which really makes sense.

The parliamentary secretary lambasted us earlier in his comments. He said we are making the accusation that the government's motivation is purely political in order to appease the right wing.

I am not making that charge. My party and the opposition has not made that charge. The person who said that was Conservative Senator Finlay MacDonald. He is quoted in *The Globe and Mail* dated February 27, 1993: "The whole exercise might be nothing more than a symbolic act to protect the party's right flank from the attacks from the dreaded Reform Party, to cause sufficient pain and spill enough blood to impress the voters. If true this might be good politics in the short term but it is not good public policy in the long run". Despite the accusations of the parliamentary secretary it is a Conservative senator who has made this charge.

Why are we so upset with this? First of all a few people in Finance who I suspect have no notion or understanding or appreciation what the Social Sciences and Humanities Research Council is all about made this unilateral decision.

• (1250)

It is important to the social scientists because in 1987, as a result of recommendations of the Lamontagne royal commission looking into science policies, the Social Sciences and Humanities Research Council was separated from the Canada Council. It was done after much discussion and consultation. At that time it was considered a victory for the social sciences because the social sciences and the humanities were recognized as a legitimate form of scientific inquiry, that the social sciences was a science and not an art. This is important. It is important we recognize that the social sciences and the humanities are a legitimate form of scientific inquiry and how important they are in this day and age.

We all hear about how fast the world is changing, the globalization, the scientific and technological changes. All of our lives are thrown into this mad rush of constant change. Our societies and our cultures are in constant total change. The only thing constant is change; psychological change, economic change, cultural change, technological change.

As we try to live with this, as we near the end of this millennium, it is essential for us as human beings if we are going to survive to begin to get an understanding of these forces of change. We need to use the best methods and tools available to us as human beings, which are our scientific tools, in order to begin to get some understanding and some grasp of these tremendous forces that are creating such a horrendous change in our lives.

I remember a few years ago attending the habitat conference in Vancouver and listening to Buckminster Fuller. He stated that most of the major discoveries which have occurred in the history of the human race

occurred in his lifetime. I think that conference was in 1975.

What we see here today is the government, through its short-term political agenda, now moving the clock back. It is now stating that the social sciences are not really a proper scientific body and that they belong with the arts. We hear government members saying this. We heard the member from Winnipeg. I am sorry but I do not know her constituency. She said in the House the other day that the social sciences and the humanities were with the Canada Council for 20 years and what was good enough then is good enough now.

I am frightened when I hear such points being raised in the House of Commons of Canada. It is scary because one of the important tools, as I mentioned, in which we can begin to survive and get some control over the changes affecting our lives is through proper research, study and investigation of the social sciences. To again think of them as really being like the arts is a step back. It is a step that weakens one of the important tools we have as human beings.

What are some of the areas in which the Social Sciences and Humanities Research Council are involved? It is involved in some of the research programs that deal with physical and monetary policy, urban development, productivity, economic and strategic planning, managing for global competitiveness, scientific and technological policy, family violence, the aging population, racism, sexism and youth unemployment. All of these are questions that concern social scientists. The type of debt we have is a question that concerns social scientists. It requires scientific study so we can begin to work our way out of the tremendous debt problem we have both at the federal and provincial levels. What the sciences attempt to do is minimize the human harm.

• (1255)

I could go on and on as to the importance of the social sciences. I wish that members of the Department of Finance would recognize that and would recognize the distinctiveness and the importance of keeping distinct research in the social sciences and the humanities.

They did not because of the reason that Senator Finlay MacDonald mentioned, because of short-term political interest. I would tend to think that is quite misguided because I do not think one Tory will save his or her seat from the Reform Party because of what is being done today. But because of that the barbarians of the finance department were at the gates and they raped and plundered, if I may use those terms, all that has been built up since 1978, the work of establishing the social sciences and the humanities as a legitimate form of scientific research.

The government today is trying to justify all this, trying to put modest clothing over this bare political work and attempting to justify it by saying that it is going to save money. The parliamentary secretary lambastes the opposition saying we are not interested in saving, we are not interested in efficiency, we are plundering the pockets of the taxpayers, we are trying to hold up debate, we are filibustering, we are doing all sorts of terrible things.

I suspect that the parliamentary secretary, having been devoid of reason, uses the broad brush of slander. What he said is not true. In fact, if we look at his own comments we find the contradiction. Earlier on in his comments he mentioned that members of the opposition are supportive of parts of Bill C-93 because they do away with some agencies that should have been done away with a long time ago.

We are also very much interested in savings and efficiencies. We recognize the horrendous debt that is like a cancer choking and killing public programs. Of course we have to come to terms with that. We are saying that what the government is attempting to do in part III of Bill C-93 does the very opposite; it does not produce efficiency, it does not save money.

It is not just us saying it. We heard the testimony from members of Finance and from the Privy Council saying no, there were no efficiencies. But the government now has come up with the $5 million a year figure. Let me deal with that.

It first was raised at report stage. The parliamentary secretary said he had information that we are going to save $5 million a year. On Wednesday he invited us to phone the Canada Council and confirm this and I did. I phoned them yesterday morning and I talked to Dr. Paule Leduc. From my notes, this is what I have. She said yes. She confirmed that they had met with the Treasury Board and they made some quick analysis. She said it is difficult to say how much is going to be saved, but it is possible that over five years $5 million could be saved.

What a difference from what we hear government members saying. They talk about saving $5 million a year. They say it as though next year we are going to save $5 million, and every year after that we are going to save $5 million. What Dr. Leduc told me on the phone, according to my notes, is that it is possible that over five years $5 million can be saved. She said it was impossible to give more details because they are only now preparing the documents and reviewing all the programs. She said again that it is impossible to put any numbers now. It is too soon. Then she said that $5 million per year is not what she said at all. I asked her whether she had ever said or concluded that $5 million a year could be saved. She said that that is not what she said at all.

• (1300)

I spoke to her at 11.37 yesterday morning. Last night just before I went home I checked my fax machine and that was at 5.59. I faxed this letter that the parliamentary secretary has now tabled. The letter is quite different from what was said to me over the phone.

I wonder who got through to Dr. Paule Leduc. What is going on here? All at once we see that there can be savings realized. In the first paragraph she said: "I think we can reasonably expect that ongoing savings in the order of $5 million annually could be achieved after four to five years of the existence of the new combined agency".

It is really close in terms of $5 million over the next five years, but then in the next paragraph she back pedals a little more by saying: "I also expect that savings will occur earlier in this process, probably as soon as three years, but at this stage I cannot give a definite amount".

That is all very intriguing. Of course what is missing in here is any discussion about what it costs.

Mr. Speaker, I see you are indicating that my time is rapidly expiring, so with your indulgence, Sir, I will quickly terminate my remarks.

What we have here is new information that was not given to us in committee. We asked for it. At report stage and now at third reading we have this new information. It is not complete, far from it. The justification for this bill is to save money, and yet there is serious doubt whether it does that.

Properly speaking, this bill should be referred back to the legislative committee so that we can find out what the real savings and costs are. After all, the justification for this bill is to save money. We maintain that it is not going to save money. All the social scientists, university professors and the whole academic community from coast to coast are totally up in arms about it. The arts community is up in arms about it. I commend the arts community for coming to the aid of the Social Sciences and Humanities Research Council. They are all up in arms about it.

The justification ends up that it has to save money. There is serious doubt about this. New information has been introduced. Therefore I move:

> That the motion be amended by deleting all the words after the word that and substituting the following therefor:
>
> Bill C-93, an act to implement certain government organization provisions of the budget tabled in the House of Commons, February 25, 1993, be not now read a third time but be referred back to the legislative committee for the purposes of reconsidering clauses 35 through 71 inclusive and that the Legislative Committee on Bill C-93, an act to implement certain government organization provisions of the budget tabled in the House of Commons, February 25, 1993, be reconstituted for the purpose of this reconsideration.

• (1305)

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, first, I want to thank my colleague for the remarks he made and with which I identify as well as the amendment. My questions are as follows.

The government was given an opportunity to rescind part III. The government was given an opportunity to accept certain amendments that would have made a bad bill a little less bad. The hon. member has just given it another opportunity that it should accept. If it was smart it would accept to take it back to committee and start all over again which is what those various organizations actually want.

They did not even say to the government: "Do not do it". They said: "Just delay it and restudy it. If you can come up with your savings, increased effectiveness and efficiency, which you have not been able to do to date, then do it". However the government has not been able to do that.

My question is this. This government has a flimsy case, no basis, no one standing up and defending it and not one credible voice. Why in the world would it not seize those opportunities that we have given it to let it save

face to do the right thing for those various organizations? Why?

Mr. de Jong: Mr. Speaker, my friend and colleague from Winnipeg raises a very good question. It is a question that I also raised several times in committee: "Why are you doing this?" It is a type of political macho I suspect. The government figures it has set its course and lo and behold it is not going to be moved away from this at all.

I find it politically stupid on the government's part. It is really dumb and stupid. Here it has just totally upset all of the academic community. I have a petition of 1,700 social scientists who are eminent scholars. Lettivar published a list of 40 from the University of Ottawa, McGill University and the University of Montreal. From coast to coast, artists, academics and everybody is totally upset with something they have grave difficulty justifying in terms of saving dollars and cents on. Yet this politically macho government says: "No, we are going to stick our ground". I find this politically stupid.

It would be politically smart if the government would say it made a mistake or at least say that with all these eminent people objecting to this it would have a second look. I think the government would win much credibility because then it would appear at least to be open. We talk about a new type of politics where individual members of Parliament can have some input. Then it could say: "You see, we are practising the new politics. We are in fact consulting. This is the new politics of inclusion. We are practising this". The government has a golden opportunity to demonstrate this.

I challenge all the leadership candidates. I notice that one was here earlier today. I challenge them. Where are they going to stand on this? This is their opportunity to give flesh to the notion of the new politics of being open. It is not as the parliamentary secretary was suggesting, done by painting us with a black brush: "This is only political manipulation on the part of the opposition". No, it is not so.

We co-operated with regard to many parts of Bill C-93. It is the part that every reasonable person in this country is standing up and objecting to that we are giving the government the opportunity of now saying let us practise the new politics here.

• (1310)

Let us see if this does save money. Let us see if this does create efficiencies. What more does it need? Every expert, including its own officials in its own departments, admits that it is not going to save money and is not going to increase efficiencies.

For God's sake, listen to some reason. Get off the high horse and practise the open, inclusive, new politics, please, gentlemen.

Mr. Duhamel: Mr. Speaker, I was particularly heartened to see the academics, the scientists and people from the arts working together on this.

It was heart warming to see people from various different constituencies come together, have dialogue and bring forward cogent arguments. However, I have another question.

I think the biggest piece of evidence indicating that the government is in trouble and that it has not made a case comes when all of a sudden we see some new figures floating up to suggest that there is more there than there was before. I want to ask my colleague to comment on this.

If Treasury Board and Privy Council officials could not come up with the facts then, why are certain figures coming up now? It is my feeling that those members think they are sinking. They are trying to patch that boat. I wonder if my colleague would care to comment on that. Is that what is happening? Is that why we are getting these different messages?

Mr. de Jong: Mr. Speaker, I certainly believe so. That is why I raised a question of privilege earlier in the day and that is why I moved the amendment. I wanted to get it back to committee to study these new figures because they are important.

Are there really savings? If so, let us have a look at them. We did not get them in committee. We tried. I tried and the hon. member tried to get the minister in front of the committee. We tried to get the head of Canada Council in front of the committee to explore fully what the savings are.

Now we hear that there is going to be some $5 million a year saved. I have some serious questions. Dr. Leduc says as well that this saving will occur by bringing the administration together.

Here is one of the questions I would ask in committee as well. There was also a verbal commitment made by the government that it will keep separate administrations between the Social Sciences and Humanities Research Council and the Canada Council. Verbally, the government has been very committal. Even though it did not accept the amendments that would put flesh to that it said: "Trust us. We will keep social sciences and humanities separate from the Canada Council".

However, if all at once it is going to start saving $5 million a year in administrative costs, I wonder how much of a separation there is going to be. Are they indeed going to be melded together? Are some of the worst fears of those in the social sciences and the arts going to be realized?

These are questions that have to be explored in committee. Again, I agree with the hon. member. Where do these figures come from at the 12th hour? The government produces these new figures. There are contradictions in what was said to me over the telephone and what hurriedly got to be a fax late last night delivered to me.

There are all sorts of contradictions. There are all sorts of questions that need to be asked. That is why again I urge that when this House votes on my amendment it should give serious and positive consideration to my amendment.

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

Some hon. members: Question.

Mr. Soetens: Mr. Speaker, I have a point of order. I thought you were rising to deal specifically with the amendment. If that is what we are dealing with, I was not going to rise. If there is going to be continuing debate I am ready to speak.

The Acting Speaker (Mr. Paproski): The question is on the whole bill, but if there is going to be debate then the hon. member for Ontario has the floor on debate.

• (1315)

Mr. Soetens: Mr. Speaker, I truly thought you were rising on the amendment, to put that one on the record.

The Acting Speaker (Mr. Paproski): I must say I thought the House was ready for the question. I did not see anybody rising. I am sorry I did not see the hon. member rising, but if it is on debate the hon. member has the floor.

Mr. René Soetens (Ontario): Mr. Speaker, I do want to speak on this very important bill, Bill C-93. I want to speak on it for some very fundamental reasons.

We have heard from many Canadians, whether they are in my constituency, across Canada or opposition members, as surprising as that may sound, that government has to find ways of controlling its expenses, it has to eliminate duplication, and it has to cut the levels of service. It must do so not so that there are fewer programs but that there is a more efficient way of delivering those items to the Canadian public. Bill C-93 is a direct result of some of those requests by Canadians.

The minister in the budget of a year ago, in February 1992, announced we were going to make a number of changes to the way in which the government delivered some of its programs through some of its agencies.

I am pleased that the government is doing that. I find it interesting in terms of the members of the opposition that come election time we will have one party talking about how it is going to reduce the deficit and the debt as part of the GNP but yet it will not identify how it is going to do it.

Today in Ontario the NDP have finally recognized that it cannot spend money like drunken sailors and it has to take some responsibility for its actions. It is going to wind up a few things, and that is most appropriate.

The difference between us here in Ottawa, the Government of Canada, and the Ontario NDP, the Government of Ontario, is that in Ontario it chose last year to spend the money and now it has to explain how it is not going to spend it, how it is going to withdraw some of the spending it did.

Well, here we are. We did not spend the money in last year's budget. We said that rather than spend it we are going to find ways of reducing our expenditures. These changes marginally affect the 1992 budget, but they have ongoing implications in years two, three, four and five as we get into the implementation of these changes.

Those kinds of savings, a dollar here, a dollar there, are very important to the over-all budget of Canada. I do not want to suggest that there are only dollars involved in these savings because there is substantially more than that.

It is important to understand the process from where we start because while we sit here and debate the issues that face Canada there are new issues that we face all the time. There are new problems that our constituents are demanding we face and that we find funds to deal with. That is always a challenge because the taxpayers at the same time argue we need new programs. They want these issues dealt with but they do not want us to spend any more money because they do not want us to raise taxes.

The Government of Canada implemented a bill called the Spending Control Act. That bill basically limited the amount of money the government can spend each year. That bill went out some four or five years into the future and said that each year we can increase by about 2.5 per cent or 3 per cent. That bill was put in place.

That bill said if we want to fund a new program, if we want to solve a new problem that has come along, if we want to spend some more money we are going to have to take that money from somewhere else in the system.

Mr. Milliken: Unless they amend the act.

Mr. Soetens: The member is obviously right. Parliament is ultimately its own master, but the fact of the matter is it set a policy that we believe in.

I note the opposition is totally opposed to spending controls. Not only is it opposed to spending controls, it votes that way in the House, but when it had the chance to be the government in Ottawa it increased spending by 14 per cent or 15 per cent a year.

• (1320)

When the Liberals got kicked out of Ottawa and unfortunately took over in Ontario they increased spending in Ontario by some 13 per cent or 14 per cent a year and the NDP, which said that it would show how to control it, managed to do the same thing in the first year. In the second year it said how great it was because it only increased spending at 6 per cent when the inflation rate was 2 per cent.

The NDP can take credit for saying that in its last budget it increased spending less than had been increased in the previous seven years of Ontario government history, but it spent money it did not have. It did not want to raise taxes, even though it did, and now it has to announce that the money it announced it was spending last year, the year before and the year before and the thousands of employees that it keeps adding helter-skelter for no reason, now must be cut back. If the NDP had made the decision two, three and four years ago it would not have that problem.

We made those decisions two, three and four years ago. It was not easy for us to say to our public servants: We are sorry, your salary is frozen. We got the static. Certainly in my riding as an MP I got the static. We froze the salaries of the federal Public Service while the provincial public service was getting salary increases of 8 per cent, 10 per cent and 12 per cent. Nobody knew where the money was coming from, and it is rather evident today that the provincial government still does not know where it is coming from. It is now trying to figure out ways of not having to pay the salaries by some new thing called a social contract. It will be interesting to see just what that says. Is there some polite way of saying to people: We are sorry, you cannot have a raise? I guess they will find out what it is. It will be interesting to see.

The member for Kingston and the Islands really wants to participate in this debate. I have no doubt that as soon as my time is up he will get up on his feet and have some really energizing ideas about how he agrees with us controlling our spending. I will ask him maybe to stand up and indicate whether he agrees that we ought to control spending because that is fundamentally what Bill C-93 is about. It controls expenses.

In Canada we have a multiplicity of boards and agencies which no longer serve a purpose or serve a purpose that can be delivered in a different fashion. Bill C-93 proposes to amalgamate, to change, to consolidate and to allow some things to be delivered in a different fashion.

All the speakers seemed to have spent an awful lot of time discussing the Social Sciences and Humanities Research Council. I am sorry that the government is even keeping the group going because if I took some time to do a survey of my constituents to see just how much money this group ought to get my constituents would say to give it nothing. I might have some sympathy for that position, but I also understand that although

some of these agencies may not serve a purpose that I personally agree with there are other interests and other needs that need to be served in Canada and this agency does that.

The member talks about reports about phone calls and whether there will be a saving as a result of the merger of the Canada Council and the Social Sciences and Humanities Research Council. I noticed that the parliamentary secretary tabled a letter from the Canada Council on that very subject this morning.

It is important to understand that we have operated in a fashion so that all these boards and agencies are at arm's length from government. We give them a certain amount of money, a budget, and they are to operate as they see best with that money.

I have a copy here of a letter that was issued by Paule Leduc. It is really quite clear and I do not know why the member would question this. I would like to read two paragraphs from it because it is rather relevant and it is from the Canada Council. The letter reads:

> Following our discussions concerning future savings resulting from the merger of SSHRC and the Canada Council I think we can reasonably expect that ongoing savings in the order of $5 million annually could be achieved after four to five years of the existence of the new combined agency.
>
> It is also expected that savings will occur earlier in the process, probably as soon as year three. But at this stage I cannot give a definite amount.

The letter goes on a bit but the important point is that we are setting the stage. We may not today see a specific saving that results in a reduction in this year's budget but we all know as members of Parliament that three, four or five years from now there are going to be people out there saying: We want *x*, this is something new and we need some money to deal with it. The Government of Canada will want to respond to that.

• (1325)

What I read here is that there could potentially be a saving of some $5 million in this program which could be used to reduce the taxes of all Canadians, which I am sure many of us in this House would like to do, or the $5 million could be used to satisfy the concerns of the member for Kingston and the Islands. I am sure he has some pet project for which he would love the Government of Canada to come into his riding and spend some money. Unfortunately he will not be here in three or four years to encourage that $5 million to be spent, but needless to say when we have the ribbon cutting in his riding we will probably send him an invitation if he is still in Kingston.

I think it is important. Why is the government doing these things? Let us talk about the Canada Council and the Social Sciences and Humanities Research Council.

Mr. Duhamel: It is trying to get elected and you know it.

Mr. Soetens: Now we are hearing from Manitoba. It is always interesting to have input from members on the other side. They continue to oppose any method of government restraint. They will stand up and argue against billion dollar cuts. Here they are arguing about one that is not necessarily going to cut a program. It is going to save through efficiencies in the delivery of the programs some $5 million. They are arguing against that. It does not come as a surprise to me because they would argue against anything that saves money. They would certainly argue in favour of everything that spends money as long as it is being spent in their ridings.

Why is the government doing this? The two councils have the same function. The Canada Council and the Social Sciences and Humanities Research Council have the same function. They are both granting councils. By granting councils we mean that they take taxpayers' money and give it to somebody for a project, whatever that project is. They decide whether the project is worthy or not. They both use a process of review in which they bring individuals into the process to determine whether the program or the idea should be funded, whether they should give a grant. It has worked in the past. They were together for some 25 years. Why should they not be together today?

Bringing them together will in the long run, as has been clearly indicated by Dr. Leduc from the Canada Council, save the taxpayers some $5 million.

Mr. Milliken: What utter rubbish.

Mr. Soetens: They are opposed to that over there. Of course the member for Kingston and the Islands says nonsense. He is not interested in saving money. That is what the nonsense is about in this debate.

It goes a little further than that. We will arrive at the $5 million saving by combining two administrative and support structures, things like personnel, financial, and information. We are going to roll that all into one agency. We are going to have a single governing council of 21 people rather than two councils for a combined total of 43. That is an excellent saving.

They will not need double the space. They will use less space and therefore lower the costs. There will be streamlined procedures and simpler, more flexible financial management.

We can make all those changes and not affect the interests of the artists or social scientists.

The mandate of the new council will combine the powers and functions of the two existing councils and maintain the arm's length relationship with the government. Hopefully in the budget next Monday the Minister of Finance, if he takes some advice I have extended to him, will make sure it has a little less money to deal with. That would be just fine as well.

Whatever money it will have to deal with it will be able to do so at arm's length from the politicians, whether they are Conservatives, Liberals, the NDP, Reform, Bloc Quebecois, Independent, or whoever else sits on that side of the House. Those are very positive steps.

There are some other things in this budget. I realize the opposition thinks there is only one agency being wound up. After listening to their speeches one would certainly have that impression. There are some other agencies that are being wound up that are very good. Some of the wind-ups do not save an awful lot of money. If it is possible to reduce one person here, two people there and four in another area, all those things cumulatively add up to a very beneficial saving. Conversely what has happened in Ontario with the NDP, as we have found, is that one person is added here, one person there, six here, eight there and ten there, or 500 here and 1,000 there. Before we know it we have to figure out how to find 8,000 positions or 10,000 positions to cut. That is the problem the NDP in Ontario has to face.

• (1330)

We in Ottawa are saying that we realize the problem and that is why, certainly in the last two budgets and hopefully in the one next Monday, we will continue to find places where we are prepared to tighten the budget as it should be done.

One agency that is being wound up is the Petroleum Monitoring Agency. Its functions are being undertaken by the Department of Energy, Mines and Resources which will continue to analyse confidential reports from the industry on the state of petroleum supplies and pricing.

Do we need that separate agency? Do we need two or three people or in fact the eight people involved in that particular agency? I would suggest we do not need that. Do we really care? I do not care who owns the gas station at the end of the street. If I see a gas station I am going to pull in and I am going to buy gas.

I am not opposed to foreign investment. Maybe others in this House are and that is fine. That is their prerogative. I know that in my constituency and in many constituencies across the country foreign investment has played an integral part in providing opportunities for jobs, development, new initiatives and new ideas. I do not think we particularly need this agency. I would be quite happy to have it go.

Another one that is going is Emergency Preparedness Canada. We have a Department of National Defence. Hopefully it can handle whatever emergency we might have to deal with. This group is being rolled back into the Department of National Defence. It will deal with co-ordination of civil emergency preparedness. In this day and age of reduced problems we have to take control.

The Procurement Review Board, the Canadian Commercial Corporation, Agricultural Products Board, Enterprise Cape Breton Corporation and the Intellectual Property Tribunal and a whole series of other boards are being wound up. That is absolutely great. I wish I had more time to convince all these people opposite about the merits of this bill, but I respect my time has now ended.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I was listening to my colleague with a great deal of interest. Most speakers on this side of the House, if not all of them, have said there has not been any concrete proof

that this reorganization would give the savings alleged by the government side.

Different figures have been bandied about: $5 million a year and $1.5 million a year. Let us just cast these figures aside and look in a general sense at what this means.

The government is trying to create an atmosphere that it wants to trim, cut and streamline. If I could see one shred of evidence this is in fact what it is doing, I could vote for this legislation, but that evidence is lacking. When we do not see an apparent benefit, why change the structure?

There are some benefits. I would ask my colleague to consider the benefits of reorganization in a different sense, benefits which are obvious to most Canadians and things that the government could do right away. I am not going to be talking about the helicopter situation. I do not know how many times we have spent the $5 billion or $6 billion over and over and over. Other things could be done which would probably be more logical.

I have a question for my colleague. Why not combine the Ministry of Finance and Revenue Canada? Why not give the provinces that already are dealing with tourism this power completely, not have a Tourism Canada and let the provinces be responsible?

• (1335)

Over the past 25 years I have dealt with the Department of Consumer and Corporate Affairs as a consumer protection advocate. Why not let it be decentralized and let the provinces be responsible for corporate affairs as they are right now for financial institutions and for consumer protection? I have been very much impressed by what the provinces have done in the area of consumer protection.

I am saying this in a non-partisan way to my hon. colleague. Has he considered it? Would he be able to vote for an elimination of the doubling up of services which are costing us so much nowadays?

Mr. Soetens: Mr. Speaker, it is certainly a very appropriate question. I will very quickly respond to it.

Although the hon. member has not seen the savings that may emanate from Bill C-93, his colleague did receive a letter from the Canada Council indicating savings of some $5 million. There were savings of about $1 million by the consolidation of the RCMP Public Complaints Commission, which is very important, and the Canada Commercial Corporation savings of $1 million. He is voting against savings which are small but nonetheless there.

Now he asks me whether I would support the merger of finance and revenue. Mergers of a number of departments would be very appropriate. For example, merging the Revenue Canada operation of sales tax with the provincial operation of sales tax would be very important. That proposal would be interesting in that it makes an awful lot of sense. I am sure we will bring that forward in our next mandate. Unfortunately the hon. member will not be here. However, if he were here, I know full well he would be standing on his feet, voting against the very proposal that today he asks us whether we would support.

A number of those kinds of ministries could be folded into each other if they are federal jurisdiction. In some cases we may do some things federally that can be better done provincially. I would hazard to say that some things which are done provincially may be better done federally. We have a massive shopping mall complex in my riding that went bankrupt because the financial institution providing the funding was not regulated federally. I am not sure it might not have happened anyway, but at least we have federal regulators who may have prevented it from happening.

When that institution went broke it took some 5,000 senior citizens' money out of the Niagara Peninsula with it. By letting the federal government regulate all financial institutions, whether they are banks, trust companies or insurance companies, by letting it take on the whole gamut, we would benefit by a reduction of duplication.

I know full well that when we bring those ideas forward in the next Parliament, those who managed to survive the next election on the other side will rise to their feet to vote in opposition to every one of those ideas.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my colleague mentioned the Expenditure Control Act. I was wondering if he could comment on the efficiency of the act when virtually every single year since they have been in government they have had a deficit in excess of $30 billion. Just to make sure we understand each other,

that is over $30,000 million short every single year. What an efficient piece of legislation.

Would he not agree that the Expenditure Control Act is flawed? Just as with this one they pretend it is going to be doing something it is not going to do to try to persuade Canadians that they should come back to their side. Canadians will not be fooled. They will not be fooled again.

Mr. Soetens: Mr. Speaker, the hon. member is absolutely right. We have had some very large deficits in the country, all of them a direct result of compound interest on the debt left by the opposition.

It is interesting. The spending control bill he is critical of basically says to the government that—

Mr. Duhamel: Nobody believes that any more. It is nonsense.

Mr. Allmand: The Canadian people will decide. Let's have an election.

The Acting Speaker (Mr. Paproski): Order, please. I cannot hear the hon. member. The hon. member for Ontario has the floor. Anybody else who wants to get up for a question or comment will have a turn.

• (1340)

Mr. Soetens: The spending control act in fact takes the existing programs of the Government of Canada and says that they will not spend more than about 2.5 per cent in each of the following three years. That bill only came into effect last year. I note that it really was not very well supported by the opposition at that time.

When the minister brings down his budget next week I presume he will stick to the requirement that we will not exceed the limitations within the spending control act. I look forward to the member suggesting next week that the government was right on, that it honoured its spending control commitment not to increase spending even though I know that if there are some cuts in the budget, and I hope there are, that member, along with his colleagues, will stand in the House and vote against every one of those spending cuts without even knowing what they are.

I can say today that the people on that side of the House will vote against every spending cut. As brilliant, as well conceived, as much as it is wanted by the people of the country, those members over there will stand to vote against all our cuts.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am happy to participate in third reading of Bill C-93 and being able to follow my learned and distinguished colleague from Ontario. He has made a number of observations on government restraint and government cutbacks as they relate to the deficit.

My colleague opposite comes to this Chamber with great sincerity and with perhaps a sense of false security about his future which is obvious to all those who understand the political nature of the country. We also know that repeatedly the hon. member for Ontario has shown himself to be a man who has focused himself and his political career, short lived that it will be, on the elimination of the deficit.

The hon. member in achieving his goal of deficit elimination has not been very successful because he and his colleague, particularly the President of the Treasury Board who happens to join with us today, have been inept. I am forced to use the word and regrettably so, but I am sure you will understand, Mr. Speaker. They have been incompetent in understanding the game or the practice of how to reinvigorate an economy which has been in recession for an extended period of time. I have listened and I have learned from members opposite that they do not possess the political will or the know-how to address the issue of deficit reduction.

Deficit reduction is directly related to economic growth. Without economic growth there will not be a reduction in the deficit. Somehow the President of the Treasury Board and the Minister of Agriculture who travel the world in various forms have not learned or do not understand that we must have a growing economy to reduce the deficit.

We have heard from minister after minister, leadership candidate after leadership candidate, that their only purpose in public life is to cut, cut, cut. If we were to follow the logic of the opponent of the President of the Treasury Board, the Minister of the Environment who says he will eliminate the deficit in four years, we would have to get rid of old age security. We would have to do away with medicare. We would have to do away with veterans affairs. Is that what they want in this country? I think the answer is no.

• (1345)

I am a little reluctant to say anything further on the remarks of the hon. member for Ontario who is not here at the moment, but he has made some outlandish statements with regard to controlling the deficit. He makes specific reference to Bill C–93. In his remarks he said: "Another board that will save lots of money is Enterprise Cape Breton Corporation".

I spoke on this matter at second reading as well as at report stage and I presented a number of amendments thereto which unfortunately were not accepted by members opposite. Nevertheless, I think it is worthwhile to note that that particular agency was earmarked to be a tool for economic development on the island of Cape Breton.

It is not I but the Tory senator who for all practical purposes is now running the campaign for one of the leadership hopefuls, the Minister of National Defence. The senator in question is Senator Lowell Murray of the other place. He is the gentleman who said not less than five years ago in the *Hansard* of the other place that Enterprise Cape Breton Corporation was a nation-building exercise. It was a nation-building measure, to be certain. That is what he said then. It was to foster economic development in an area of the country stricken with high unemployment. In fact, just the other day the statistics became available. It is 29.4 per cent, a shamefully high level of unemployment.

What is the government's response to that? It does away with the very corporation it put in existence several years before which had the mandate to increase, develop and facilitate economic development. Now it is doing away with that. It does not make sense. It does not make sense to the people in Saskatchewan. It does not make sense to the people in Quebec. It does not make sense to the people in Ontario nor the Canadians who happen to live on the island of Cape Breton.

I would have thought that since the senator in the other place is such an influential individual that the Minister of Finance would have seen his way and said: "We better go back and look at what has been said about this corporation and maintain it for its purposes are laudable. Its goals ought to be achievable and its results, if obtained, will have an immediate and positive impact on a society of our country", but that has not happened at all. In point of fact the Government of Canada is doing away with it because it does not enjoy the support. I say so. You, Sir, being a distinguished and learned person of this Chamber might find my remarks to be somewhat cynical.

However, that agency is no longer in existence because it does not enjoy the support of the federal cabinet minister from Central Nova. It does not enjoy the support of the province of Nova Scotia, particularly the premier, Mr. Don Cameron. Those two individuals have been grossly, and I underline the word grossly, negligent. They have shown wanton disregard for those individuals living in that area of the country. By not standing up and fighting openly and publicly for the reinstatement of this agency, that for me, my constituents and the people living next door to me is a demonstrable sign that the compassion one expects from a national government just does not exist for those across the way.

I say that with great regret because there are good Tories. There are good Tories in my district. There are good Tories on the island of Cape Breton. I ask my good Tory friends: Do you agree with this measure to choke off this agency whose sole purpose was to create and enhance economic development? Do you now agree with the government of the day that it is no longer useful to maintain this particular operation?

• (1350)

I would have thought that the Minister of Agriculture would have stood in his place today and taken me to task for some of the comments I have made about him and his role in terms of the government cutbacks. However it falls now to the President of the Treasury Board to stand in his place and say that his colleagues have done the right thing, that the senator in the other place was either lying to the people of Canada, in particular to the people of Cape Breton, or as they say in my district and I say with great regret, that the senator in the other place was being careless with the truth.

We know that not only was he careless with the truth but he was also doing it for the sole political purpose in 1988 of trying to win seats in the province of Nova Scotia. Today they are capitulating to the provincial government of Don Cameron by doing away with Enterprise Cape Breton. The sole reason is that it is a political manoeuvre by the provincial premier and the hon. member from Central Nova. It is to punish those of us who have seen the wisdom as hundreds of thousands of Canadians have registered from coast to coast that the government

opposite is not just incompetent, it no longer deserves the support of the Canadian people.

We are being punished as a society. The President of the Treasury Board has a great knowledge of the distinct society and what it means for the province of Quebec. I hope he will tell those individuals in Cape Breton who also believe themselves to be a distinct society in many respects as to why they are being denied the opportunity to fully participate in the Canadian economy. I hope the minister will have the intestinal fortitude to stand in his place moments from now and defend this reckless and wanton disregard for a people whose region has an unemployment rate of 29.4 per cent.

Is it fair, Mr. Speaker? I know you, Sir. I have known you for a long time. You are distinguished and you are learned. You are responsible and fair. Is it fair? Is it fair to cut people adrift?

Now the minister will stand in his place and he will take out one of his pieces of paper and he will say: "This is what we have given those people down there. They are on Canada pension. They are on Canada pension disability. We have done this for Devco and we have done that".

We are not looking for handouts. We are looking for an opportunity to participate fully in the Canadian economy. We do not need any minister of the Crown doing the shameless things that have been done to the people of Cape Breton over the last number of years and more recently with the elimination of this particular development agency.

I say through you, Mr. Speaker, to all ministers opposite. I stand here today and I speak for those thousands of young people who are without work, whose only hope is to migrate out of that area to somewhere else. Then again the Canadian economy is so weak that there is nowhere else where the talents they have to offer can be accepted. I speak for the senior citizens down there who wish that their sons and daughters had an opportunity to make a meaningful life and to participate fully in the Canadian economy. I speak for the coal miners and all of those resource people in my constituency and other constituencies who wish to have meaningful work so that they can make a contribution to their community, a contribution that many of us take for granted.

However, cutting this agency adrift will do absolutely nothing to enhance economic development. It will retard economic development on the island of Cape Breton.

• (1355)

I hope as this debate comes to an end the real reason will be given clearly in this Chamber. It is that we are being penalized in Cape Breton by the minister from Central Nova and the premier of the province, Don Cameron, because of the way in which we have voted in previous elections.

This was supposed to be the new wave, a different way of doing business, but it is the old practices of the Mulroney government at best, the Diefenbaker regime, and of course the Stanfield years in the province of Nova Scotia: Hit often but hit low; hit those that are least able to stand for themselves and hit those areas of the country that are least able to engender and to foster economic development.

That is what Bill C–93 does. It eliminates the Enterprise Cape Breton Corporation. It eliminates those jobs and that purpose from government and from the national government. When I hear the hon. member from Ontario who stood in his place not moments ago and just made a passing reference, does he wonder why there is such antipathy? Does he wonder why there are such ill feelings toward other regions of the country, when we are treated like second class citizens? We do not want to be treated like second class citizens, because we are not second class citizens. It is high time that the government opposite took that into careful consideration when planning its mandate and election platform.

I fear that with this continual erosion of an economic base and the consistent and persistent battering of a community that there are very few alternatives left for that society to take. I make mention of civil disobedience, not to condone it, make no mistake about that.

However, I have seen far too many unemployed young people, far too many students who do not have sufficient income to pursue a post–secondary education, far too many senior citizens who do not have sufficient moneys to care for themselves and their families, far too many residents without the appropriate housing, far too many municipalities without the appropriate infrastructure. I

have seen an uncaring, unwilling and untrusting government which has once again played its hand in a very negative way against the people of my district and indeed the people of Cape Breton.

Mr. Speaker, in the time that I have remaining which you have indicated is approximately 20 minutes—oh, two minutes, I am sorry. I thought there might be unanimous consent for me to continue.

An hon. member: There is.

An hon member: There is not.

Mr. Dingwall: I say to the members opposite that I will be travelling in the province of Nova Scotia during the next number of weeks. I will be in my own district campaigning on behalf of my party. I am sure hon. members opposite will be doing the same. I have never said and I have never played the game that the Tories opposite have been playing. I said in this House and in the public forum that it is a shameful act for the Government of Canada to play one poor region off against another poor region.

I want to say that some day, somewhere, in the next number of years there will be the opportunity for a debate with the provincial premier and I hope the member for Central Nova, if he has the intestinal fortitude or the guts, as we say in my district. I will have the opportunity to debate and discuss with them in an open public forum the ways in which they have divided our province.

• (1400)

I say to the House with all the sincerity I can muster, that it is not fair, it is not just, it is not in the public interest to be devastating one area of a province to assist another at its expense. It is a shameful act. It will be remembered as a shameful act. It will be written as a shameful act.

I will be there, whether in public life or not, defending the best interests of a people whose over-all objective is not to seek handouts from the Government of Canada but to be full partners in participating in the Canadian economy and making a contribution to their community as their ancestors have done and as generations of Cape Bretoners have done before them.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I would like to comment briefly on what was said by my hon. colleague.

He said the government was incompetent in the way it planned its budget. I must say I agree with him, but I was somewhat surprised at the reaction of one of our government colleagues, who said that whenever the opposition had a chance to vote in favour of cutting or streamlining government spending, they systematically voted against these measures.

I have been here for only three years, but I remember that at one point, we did have a unanimous vote in the House, when members of the various parties endorsed and supported a number of government bills.

I have the following question for my colleague: would he agree that the government is wrong to say that the opposition always opposes the government? Could he mention a few instances of almost unanimous co-operation on certain bills? As you know, we are here to protect the interests of all Canadians, not to oppose legislation as a matter of course.

[*English*]

Mr. Dingwall: Mr. Speaker, I want to thank my colleague for the question. He asked an important question.

My colleague should not be sucked into the ideology of the right which says in its essence, in its very form, that the only manner in which a deficit can be cut is to eliminate programs. Yes, there are programs. Yes, there are cuts that one could say, intellectually speaking that is, that we would agree with. However, where the Canadian economy is at the present time has to be one aspect of a much broader picture.

There is a crisis with the deficit but there is a crisis in unemployment. There is a crisis with interest rates in terms of the spread between Canada and the United States. The monetary policies of the government have not added anything. The mere fact is that the government has said its sole purpose was to fight inflation. You must have not only one goal, you must have several goals. It must be a balanced approach. Yes, there has to be deficit reduction, but it cannot be done in isolation

from other things. We cannot forget the unemployed, as my leader said quite aptly.

If you listen to the Minister of National Defence and the Minister of the Environment, Mr. Speaker, by getting rid of Veterans Affairs, old age security and medicare and have an unemployment rate of 25 per cent, you know what you have, you have a revolution on your hands. People are not going to put up with that. Therefore, it must be a balanced approach.

• (1405)

I say affirmatively to my colleague in answer to his first question that it must be part of a balanced program taking other matters such as unemployment, interest rates, property values, what have you, into consideration.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I am enjoying the comments of the member from Cape Breton. I think the point I made when discussing report stage is that while the government again justifies the move as one with increased efficiencies, the documents obtained under freedom of information do not show any savings whatsoever. That is the estimate of Treasury Board.

Earlier today we heard the parliamentary secretary white-washing the study from Treasury Board, saying it was done before the government announced this decision. I find this strange reasoning on his part because Treasury Board figured it was going to cost a million dollars to do away with the Enterprise Cape Breton Corporation.

I also appreciate his remarks that we are going to have increased inefficiencies. It is going to prevent the local people from having some control over their own destinies and development. While we have seen the government attempting to cut the deficit and the budget by slashing and burning, invariably it has had the opposite effect because the accumulated debt has doubled during its mandate.

Obviously its attempts at deficit reduction has the opposite effect. I would suspect as well that the move they are making with the Enterprise Cape Breton Corporation will have the opposite effect. It will not increase efficiency but will increase inefficiencies. It will not save money. It will cost more money. As well it will further create the sense of lack of power of the people of Cape Breton.

I know the member is a senior member of the Liberal Party and involved in decision-making. Earlier today I was made aware that the Canadian Federation for the Humanities has addressed a letter to his leader, asking if the Liberals should form the next government or be involved in forming the next government, would a Liberal government undertake to dismantle what Bill C-93 does. Of course the humanities are particularly concerned with the Social Sciences and Humanities Research Council being folded into the Canada Council.

During second reading of this bill I asked a member of the Liberal Party what the position of the Liberal Party would be and was given the assurance that a Liberal government would undo what this government is attempting to do in Bill C-93. I wonder if the hon. member for Cape Breton can give us as well the assurance that a Liberal government would do everything in its power to separate again the Social Sciences and Humanities Research Council from the Canada Council.

Mr. Dingwall: Mr. Speaker, there were a lot of questions in the preamble to which one could respond. In essence my hon. friend has asked me as a lonely MP in a great political party whether or not I believe this could be reinstated or restored under a Liberal government. He used a phrase which I think I have to explain "if" we become the government.

I would hope that my hon. friend, when we are on that side of the floor and they are over here as the Official Opposition in the next Parliament, will support us in our attempts to reinstate the pith and substance of Bill C-93 which has, I believe, far-reaching concerns in terms of the efficiency of the government but also certainly will have, if it goes through as I anticipate it will, negative effects. The answer to my hon. colleague's question is that we will attempt with urgency, dispatch, vigour, enthusiasm but within a sense of realism, the objectives that we believe to be important.

• (1410)

I emphasize that some of those objectives have been edified by my colleague from St. Boniface. We will attempt as best we can to try to reinstate some of the agencies that the government has done away with.

I would hope reciprocally that my colleague to the far left will support us in our attempt as we become, after the next election, the government and the NDP becomes

the Official Opposition. The members across the way will become the third or fourth party.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am sorry that no member of the government sees fit to rise to participate in the debate at this stage. I can understand why.

We have had two apologies from the government for a bill that frankly ought not to be before the House. It is really a shocking piece of legislation and I have had occasion to say so before.

I am delighted to have this opportunity to participate today in spite of the absence of government members from participation. I am glad to see some here. It is unusual on a Friday afternoon to have so many. That is very nice.

An hon. member: They came to hear you Peter.

Mr. Milliken: I would like to think that was true. It probably is not but I appreciate the thoughtfulness of his comment.

I know the President of the Treasury Board may have come for my speech because I know he enjoys my speeches. That is all right. I do not want to be immodest, as the hon. member would suggest.

What surprised me as I prepared my remarks for today's debate was the amazing fact that I found a newspaper article to support the Liberal Party's position from a Tory pamphlet writer. Our good friend, Jeffrey Simpson, who writes a frequent column in *The Globe and Mail* and who is invariably writing columns that support the government's position, has written one that criticizes the government's position on this bill.

I urge the ministers and the members in the House on the other side to heed what Mr. Simpson said. Normally, as they all know, he is writing apologies for the blundering errors and gaffs that the government makes on such a regular basis. Today he has written something which says the government has made a mistake. He says the opposition parties are quite right to kick up a fuss. That is the concluding statement in the column. We are getting up and kicking. We have been kicking on this but the government has brought in closure as it usually does on unpopular measures.

Mr. Belsher: Time allocation, entirely different.

Mr. Milliken: It restricts debate. Lately on every unpopular bill the government has used closure.

The extraordinary thing is the government House leader who pretends to be so interested in Parliament got two bills through the House the other day with practically no debate. Things just went sailing through, three bills in one day. Yet we have closure for the rest of the week on both stages of this bill.

I suggest this is not the way to run Parliament. This is an abuse of the process of the House. One day on third reading and a Friday at that is not enough time for debate on a bill of the importance that parts of this bill have.

I see the hon. member for Ontario sitting there and grinning from ear to ear with this Cheshire cat grin.

Mr. Soetens: I wanted to hear your speech.

Mr. Milliken: He has come back for my speech. I recognize that. I enjoyed his and I know he enjoyed my heckling.

I want to say to him that his speech was not convincing. He talked about some of the parameters of the bill as ones that would produce great savings for the Government of Canada. We are saving $15 million by this tremendous package that we are passing today. I believe it is $15 million over five years.

Mr. Belsher: It's a start in the right direction.

Mr. Milliken: I can understand why the government House leader is using closure. He does not think this bill is very important. In some ways it is not because it is not saving very much money. It is probably costing us more to debate it in the House than it will save over the five years.

Mr. Soetens: Sit down then and we'll double the savings.

Mr. Milliken: That is beside the point. It is typical of the government and it is typical of the Government Expenditure Restraint Act it introduced, which was a lot of nonsense too, as I suggested to the hon. member in his speech earlier. I want to talk about this bill. There are some positive aspects to it. I have said that before. I said it at second reading stage. What is wrong with this bill is that the government is merging SSHRC with the Canada Council.

• (1415)

There was evidence tendered before the legislative committee that studied this particular bill. I wish the hon. member for Ontario had read the evidence before that committee before he made his speech. I think he might have recanted some of the statements he made. Really, he got carried away.

What happened in this case is that the minister quailed at the prospect of appearing before the committee to try to defend this policy. He sent some of his minions to appear before the committee to try to explain away the government's policy.

These minions were left in a terrible position because I suspect that they had the brains to disagree with the policy. I suspect that they realized that somebody had thought this up the night before the budget and stuck it in at the last minute in some effort to make it look as though the government was doing something to save money by abolishing some 40 organizations. I think that is what the government trumpeted in the budget speech. It was going to merge, amalgamate or phase out all these government organizations. This is the second bill we have had in implementing the budget in that respect.

In spite of all that, in spite of all this window dressing, the total savings as a result of these changes amounts to $15 million over five years. That is $3 million a year if I have figured that out correctly. What a bonanza: $3 million a year when the deficit is $35 billion a year. This is this government's idea of saving money and cutting back.

The government says that we vote against all its efforts to save money. I think that even it might understand why we voted against saving $3 million when it is running a deficit of $35 billion, which it told us would be gone by this year when it had its first budget back in 1984.

Mr. Soetens: You and I were not here.

Mr. Milliken: The hon. member for Ontario is right. He and I were not here. Here is the interesting thing. I was not here back in the Trudeau years either, which he and the Prime Minister keep blaming for all the country's ills. Yet he points at me every time and says: "It is those big spending Liberals". He puts me into this kettle of fish.

I fully support my party and I am not embarrassed by the record. I could suggest to him that he ought to be ashamed of his government's record. It was not just pre-1988 because the same blundering incompetence has continued uninterrupted without even a suggestion of a hint of change since 1988. It has carried on right until now and that is why we have this serious financial crisis in Canada. This bill is supposed to be doing something about it but in fact it is doing almost nothing.

Look at the estimates that were presented in committee. The hon. member for Ontario in his speech this morning said that this particular item, this SSHRC-Canada Council merger, was going to save $5 million over five years. Where he got this figure, I do not know. Certainly the minions that the minister sent to the committee did not come up with that figure. I would like to quote Mr. Patriquin from page 33 of issue number 1 of the committee's proceedings.

The hon. member is waving some paper at me. I am sure the government members have dug up something since because they had to go and do some research to back up the answers that could not be given at this committee.

Let me read what Mr. Patriquin said in answer to the question:

> The estimates of savings were made by the officials, acting in preparation for a budget, and there would be no studies that I understand could be released on that subject.

I presume Mr. Patriquin said that because the government does not release pre-budget studies. Fine, but I suspect also that there were not any. Then he said:

> There are other studies that have been referred to that were the genesis of at least one of the proposals referred to earlier, which is indeed in the public domain, I believe. But we would have no particular studies on costing of these savings that are to be released. It has essentially been part of the normal resource allocation process in government.

In other words, for this particular item it had almost nothing to back up the calculated savings.

In fact, earlier on Mr. Patriquin in his testimony suggested that of all the ones they had costed, all the ones they had predicted savings for, this was the one that was least well prepared. In other words they really had no idea that they would save anything whatever by amalgamating SSHRC with the Canada Council.

As my very distinguished colleague from Mount Royal pointed out in the course of her questions before the committee, these two bodies that had once been together are now divorced. Somehow the hon. member for Ontario was trying to suggest that because they had been divorced then it was logical to put them back together.

• (1420)

That makes as much logic as suggesting to some married couple that has been divorced that they should remarry. They may want to, but if they do not want to we do not force them. Yet the government is forcing these bodies to do that. Neither wants it, neither asked for it and neither was consulted as to whether they would even consider it. The government just announced this silly policy in a budget speech. The Minister of Finance did not know what else to suggest because he was so bankrupt of ideas on how to save any money and how to manage the Canadian economy in any sensible way. This whole bill is a disgrace.

I have an open letter that was sent by the Social Science Federation of Canada to some members of Parliament who had the good sense to oppose this bill. It is signed by some 25 very distinguished Canadian academics who are appalled that the government would proceed in this high-handed way to deal with the Social Sciences and Humanities Research Council.

Mr. Soetens: From Queen's.

Mr. Milliken: One of them is from Queen's, the hon. member for Ontario is correct, but most of them are not. Most of them are from other universities across the country. I realize there may not be one in Whitby but I suspect that if he looked and dug a little deeper he might find that some of these people live in his constituency. In any event, there are people from the University of Toronto, University of Ottawa, University of British Columbia, Université de Montréal, Acadia University, Sir Wilfred Laurier University, University of Guelph, Carleton University, Dalhousie University, Université Laval, University of Regina, University of Calgary and I could go on.

These people are appalled that this government would fail to listen to the voices of Canadians in the social science community of this country who feel their independence is being done away with and who see, in the short-sighted goal to save possibly $500,000 over five years and no more, that this government is selling them down the river. It shows a complete disregard for arts funding in this country and for interest in the arts and social sciences. By lumping these two together the government is ignoring the pleas of these people to leave them alone and let them continue to do their jobs. Indeed, all they get met with is a group of cuts.

I see my very distinguished colleague from Winnipeg South Centre has appeared to participate in this debate. Given the time limitations that I fear may be in place because of the use of closure, I would be happy to give the remaining 10 minutes of my 20 minutes to him so that he could make his remarks subject to the question and comment period that I know will follow.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I just have a very brief comment and question for my colleague.

My colleague has indicated that a number of prominent Canadians have condemned this particular bill. Does he know of any prominent Canadian from any of those communities, the artistic, academic or research communities, who has supported this bill? If so, would he please name that individual.

Mr. Milliken: Mr. Speaker, I will admit to knowing one. It is the government House leader. I understand he has a Ph.D. in chemical engineering. I believe Dr. Andre has supported this bill.

Some hon. members: Who?

Mr. Milliken: Dr. Harvie Andre, the government House leader. However he is the only academic of any stature that I am aware of who has supported this bill.

Mr. Duhamel: I did say academic stature.

Mr. Milliken: The hon. gentleman does have a post-graduate degree so I am giving him the benefit of the doubt. I realize he is no longer an academic, but I understand—

An hon. member: I do not think he ever was an academic.

Mr. Milliken: The hon. member says perhaps he never was an academic. I do not know, but I thought that perhaps many years ago, before his election to Parliament, he was an academic. I do not know what profession he had, but I know that he has these excellent qualifications. He is the only one I know of who supports this bill. No one that I am aware of who is currently teaching in a university supports this bill. I have not

heard any support come from the university community in my constituency. There are two of them there.

Queen's University and the Royal Military College are both in Kingston and the Islands and I have had no support indicated for this bill from anyone in those two academic institutions. I have not received any letters of support for this bill from any other academic in any other part of Canada. I have had a fair bit of correspondence on this and I believe it was all in opposition. None of the letters were in support.

To answer my hon. friend's question, aside from the government House leader, whose academic stature could perhaps be questioned as he has been a politician for a long time, I am aware of no one who is supporting this bill.

• (1425)

Frankly, I think if he were not in this House he probably would not support the bill either. However, because he is a member of a cabinet that slashes and cuts all over the place I guess he is supporting it.

I have just been handed a note. There are two other members of the cabinet who have doctorates. The Minister of Indian Affairs and Northern Development apparently has some academic qualifications, and he supports it. The Minister of State for Small Businesses also has a doctorate, and he supports it. However there are other academics in this House, including the hon. member for Winnipeg South Centre who is about to entertain us with his speech. I know he does not support this bill. He has told me how awful this bill is and I am sure he will want to tell the House how awful it is. I am looking forward to his address.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I particularly want to thank my colleague from Kingston and the Islands for his generous invitation to share with the House the very stimulating and passionate exchanges we have had about this bill over the past several months. I can say that I do represent that small but doughty group of people in the House of Commons who came from academic life, albeit a long time ago, and who find the purpose of this bill to be both nonsensical and particularly galling in terms of the objectives set out by the government.

It is interesting that we are debating this bill when a new budget is about to be presented on Monday. There is a very important lesson to be learned in this debate about how not to do budgets. I recall vividly the grand announcements made by the Minister of Finance about all the new mergers, integrations and combinations he was going to make in order to save taxpayers' money.

Bill C–93 was a direct product of that commitment, but lo and behold there is no money to be saved. This is a massive renovation that will substantially undermine the academic external university relations of this country and is to no purpose at all other than cosmetic reasons. It is simply action for its own sake. This is a government that has lost any connection between ends and means. It is unable to relate a piece of legislation to an objective. It is all done with the purpose of trying to create the illusion of action. The end result is to undermine, weaken and erode some very substantial institutions in this country.

I want to speak in particular to an aspect of the bill that has been brought to my attention and which I feel sorrowful about. That is the way in which the international academic relations program of the Department of External Affairs is being torn away from the international foreign policy agency of our country and merged into a new creation without any particular rationale given. Certainly nobody was talked to and nobody was asked for their opinion.

It comes at perhaps one of the most important turning points in the history of this country. We are beginning to realize the impact of globalization and are beginning to understand that the security, prosperity and well–being of this country is now very dependent upon our establishing a whole range of links throughout the world.

One of the most important connections we can make is in the area of academic exchange through having other countries understand more about Canada and having teachers and researchers working in their countries to ensure they understand the benefits of Canadian science, social sciences, humanities and culture. One of the most effective programs for undertaking that outreach on behalf of Canadians to the rest of the world has been the international academic relations program which has ensured a very constant and creative flow of people and ideas emanating from Canada around the world. It is part of our foreign policy. Foreign policy is no longer just a group of diplomats meeting in embassies to talk about

affairs of state. Foreign policy is now about the environment. It is about the movement of people. It is about the exchange of ideas. It is about developing new relationships between business and labour and universities and cultural organizations. One of the great and important impulses in the world ahead will be to broaden and enrich that diversity of connections and linkages.

• (1430)

At the time when an institution had been put in place, had been tempered by experience, was in a position to begin developing and expanding its role, what does the Conservative government do? It lops it off, turns it into a new agency, and the end result will be this. This new creation, whatever it is called, CHARC or CASH, I forget what the the acronym will be, is going to have to develop its own international outreach, its own officers, its own officials working in an international context which will compete with our own embassies abroad. We will now have a duplicate of function rather than an integrated function. We will be creating a competitive agency, having to go through all the pangs of start-up, getting new relations established, hiring people and beginning to reinvent the program all over again.

As a serious, rational thinker, Mr. Speaker, can you accept that as good public policy? Does that make sense in your eyes? It certainly does not make sense in the eyes of a wide range of institutions around the world. I have a file full of letters from different universities and research institutes around the world saying this is folly, this makes no sense, the government has gone cuckoo.

If people abroad can recognize that I guess the question is why cannot members of the caucus recognize it? I say to these members, if in the so-called time of constraint you had a legitimate case to make that actually large amounts of money were going to be saved, that it was going to be more efficient and more effective and more realistic and more rational, then all right. However every single piece of evidence, all testimony, every representation made by everybody who appeared before the committee or who have written letters, have said it simply is not going to work.

I put that on the table as an exhibit and a caution, that when we come to the next budget exercise and hear all the grand announcements on Monday, with the great waves of applause emanating from the government benches about the new rationalization, remember Bill C-93. Remember what it does and does not do. It will not save money. It will create duplication, more bureaucracy, more competition at less cost and saving, and undermine a perfectly good program that has worked effectively on behalf of Canadians.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I listened with a great deal of interest to my colleague outlining his reasons for not supporting Bill C-93. He feels, as I feel, there is not sufficient proof to show there would really be that much saving or that much efficiency. I agree with him. I have not seen any proof either.

There has been ample opportunity through the hearings in committee and through the letters we as members of Parliament have received. We have not received one letter showing that there would be substantial savings. If you do not have this kind of proof I do not see how you could support legislation, a bill that purports to make for efficient government administration or one that is supposed to save money.

I have heard that we are talking about $5 million, one and a half million dollars per year. Different amounts of money have been bandied about, and I am not sure really whether those numbers are verifiable or not, but there are some numbers that are verifiable.

• (1435)

In my comment I would just like to say the government will have the opportunity to show how it can streamline, how it can get lean, how it can cut into the deficit with the budget we are expecting some time next week.

There are certain things we could suggest here. One is not to pass Bill C-93 because it is certainly not the kind of approach we would like to see taken, but there are some things the government could do.

Being from Quebec, everyone knows the province of Quebec has been one of the most vociferous provinces in its demands that duplication of responsibilities, organizations and ministries be reduced as much as possible. In a spirit of non-partisanship and in the spirit of just looking logically at the situation, earlier I had asked one of my colleagues on the government side whether we could not look at perhaps fusing the Department of Finance and Revenue Canada.

I would also look at areas such as devolving to the provincial side the control of regional development. That would be very important. It would no longer be a slush fund where different ministers just before an election could create a Hibernia or all sorts of other programs which really do not have much bearing in reality or are not commercially sound.

I believe it is time for us to seriously look at cutting the expense of government but not necessarily the programs. We begin by sending a message to the electorate that we are serious about cutting certain government expenses that can easily be done away with. That is before going into the programs because then there would be no choice. If we do not move right away we will not have to trim programs but we will have to start eliminating them and I do not want to do that.

The question to my colleague is this.

An hon. member: It is about time.

Mr. Edmonston: You are right it is about time.

Does he see anything positive about Bill C-93? One of his colleagues said earlier in committee that he mentioned there were some positive aspects. Does he see anything positive at all or is it just entirely negative?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, as I said in my remarks perhaps the most positive thing about the bill is its demonstration of how not to go about streamlining, rationalizing or making change. It has become more of an exercise in futility than an exercise in frugality and that has been part of the problem.

The necessary groundwork was not undertaken to develop an effective program on which we would give grants to culture, social sciences and international academic organizations. No one was consulted. No examination was done. No one was asked for their opinion. It was simply a fiat from the Department of Finance and the minister. I do not know the particular grudge it has against these organizations.

I think it was concocted more in the bowels of a public relations agency in trying to create the fantasy that something was being done to save the taxpayers money as opposed to a serious policy analysis. If there is any heuristic value in this motion—I find it hard both to say the word and attribute such a noble motive to the government—it would be as a good way of how badly it governs.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Shall I call it 2.45 p.m.?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It being 2.45 p.m., pursuant to an order made Wednesday, April 21, 1993 in accordance with the provisions of Standing Order 78(3), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the bill now before the House.

The question is on the amendment. It is the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to the order made Thursday, April 22, 1993, the recorded division stands deferred until six o'clock p.m., Tuesday, April 27, 1993.

Mr. Milliken: Mr. Speaker, a point of order. The hon. member whose motion was to be debated in private members' hour today unfortunately has fallen ill. She fell ill yesterday and was unable to notify the Speaker because of her illness that she could not proceed today.

Accordingly, the private members' hour will be cancelled when three o'clock arrives. I am willing to call it three o'clock for that purpose. In light of the fact that she is ill, I wonder if there might be unanimous consent to allow her motion to stay in the order of precedence at the bottom of the order of precedence rather than be stricken off the order of precedence altogether.

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Accordingly this House now stands adjourned until Monday at eleven o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 2.46 p.m.

HOUSE OF COMMONS

Monday, April 26, 1993

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

PUBLIC SECTOR BONUSES ACT

MEASURE TO ENACT

The House resumed from Monday, March 8, consideration of the motion of Mr. Duhamel that Bill C–339, an act to eliminate the payments of bonuses in the public sector of Canada, be read the second time and referred to a legislative committee in the Human Resources envelope.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am pleased to have an opportunity to participate in this debate though my voice does not have its normal strength. I know it will distress all members present that I will be a little more low key than usual. However, this is such an important issue my hon. friend from St. Boniface has brought before the House that I did want to have an opportunity to make a few remarks.

I do not know exactly what his intent is but in reading this proposed piece of legislation I must say I have some concerns. I know it was not his intent to suggest that members of the Public Service of Canada ought not to receive fair, adequate compensation or anything like that. What this bill proposes to do is to take away the principle of incentive in relation to performance. Some people will disagree with that of course but it certainly is my belief that people work best when they have some incentive to do so. Fair compensation for employment and reasonable, safe working conditions are very important.

The advisory group on executive compensation in the Public Service known as the Burns group was named after the current chairman, Mr. James Burns, who is deputy chairman of Power Corporation. The group expressed the opinion and strongly held view that there should be a portion of the compensation package for senior executives put at risk, to use the group's expression, so there is some incentive.

I am not suggesting for one minute that people in senior positions in the Public Service of Canada would not give 100 per cent if their salaries were 100 per cent guaranteed. However, I think the concept that people should have incentives to work hard by having a percentage of the compensation made available by way of some sort of a bonus is important.

That is obviously one with which the advisory group agrees. I might say also it is one with which Public Service executives agree. They have agreed to that basis for compensation in their own bargaining process. I am sure it is not the intent of my hon. friend opposite to interfere with the collective bargaining process.

I realize if I start talking about the sanctity of the collective bargaining process I am sure members opposite are going to remind me very quickly it was this government that interfered with that process through the imposition of the wage restraint program on the Public Service a couple of years ago. That restraint program applied not only to members of the Public Service but also to members of this House and all people paid by the government.

That action is not normal practice. Certainly it is not the normal practice of this government because this government respects that the best way for these decisions to be made is through the collective bargaining process on the basis of market demand and so forth.

• (1120)

I simply remind my hon. friend and others who may wish to support this legislation that there is some potential problem inherent in an arbitrary decision being taken by Parliament. Certainly that would fly in the face

of the position he and a number of his colleagues took with respect to the public sector contract that was there a year or so ago. I merely bring that to his attention.

Maybe part of the problem lies in the use of the word bonus. A bonus to me is like getting a little prize in a Cracker Jacks box. It is something extra, something one had not necessarily expected and presumably therefore is in addition to what is expected. All that is really expected inside a box of Corn Flakes or Cheerios is the cereal but a little prize might be found inside. That is a bonus because it is something extra. I suspect the root of the legislation in part may be in the use of that particular term when in fact one might prefer the term incentive.

It is important to recall the history of this particular provision. It was taken off the compensation package at the time when this process was implemented so that if there was a salary budget equal to 100 per cent a certain percentage of that was taken back. I believe it was 15 per cent. I may be wrong about my percentages but I am talking about the principle.

What has been done in effect is to not provide a bonus as an add on. The group of employees impacted by this provision is told it is guaranteed a certain amount, which is in fact lower, 85 per cent, and there is the opportunity based on performance to earn an extra amount. I think it is important to bear that in mind.

I recall when the subject of these bonuses came up in the House a year ago, there were very flamboyant speeches by some of my hon. friends about the size of those bonuses. I think that created the context in which people thought this was not an appropriate thing.

It is important for everybody to understand that these bonuses are not an add on. In fact they are a component of the salary package that is and was already there when it was brought in.

Having said that, a bonus which is paid automatically really ceases to be an incentive. It ceases to be what it was intended to be with the use of the nefarious word bonus. If there is concern about this, what would be helpful and might warrant review is some determination or clarification of the criteria by which it will or will not be paid.

It is not easy to determine or quantify progress in some Public Service jobs. These nights whether we want to or not, when we turn on our television sets we are being treated to hockey games. It is very easy to determine whether a hockey player gets a bonus. How many goals did he get last year? How many assists did he get? How many minutes in the penalty box? How many games did the team win? However, it is much more difficult to assess a public servant. Certainly it is difficult to quantify the performance of the individual.

If one is to determine criteria and have a clear process by which decisions will be made as to whether or not people in fact qualify for an incentive, I can understand that. The point to be made is that we must have clear criteria. It must be understood that people have to earn the incentive. It is an assumption that possibly everybody is not going to automatically get it. The automatic aspect to it can also create some progress.

At the same time however, an unattainable incentive is not really an incentive at all. When a compensation system is set up that is targeted at rewarding a person's performance, then that particular criteria should be one that if a legitimate bona fide effort is made by the individual the intent is that he or she will obtain that. In other words, the intent of the process is to encourage high performance by rewarding individual employees for the work they have done.

• (1125)

Administered automatically, it is a very successful system. I think it can be a beneficial system, both for the public servants impacted and Canadian taxpayers. To change that system right now would create quite a disruption. I think that a kind of political mischief was played with the system in this House a year or so ago. Except when that goes on the system works well. It serves Canadians and it serves public servants.

At the same time it provides an opportunity and a recognition for the government to be aware of the fact that Canada does have a high quality of public servants. I think all members of this House will agree that although sometimes when issues get flowing back and forth, people sometimes forget that Canadians are very well served by their public servants. We have some extraordinarily capable people.

In the case of our senior people, the compensation is often not competitive with what might be earned in the private sector. But they are just like members of Parlia-

ment. We know when we take the job what the salary and the compensation will be. That is the deal and if one does not like it then do not run for office.

I conclude with those remarks. I commend my hon. friend for bringing forward his initiative. However I cannot support it and I urge fellow members of the House to turn down this proposal also.

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, I have given much consideration to Bill C-339. My constituents are continually expressing concern about our national debt and deficit each year. Therefore, I am always looking for ways to reduce spending. But I also want to take into consideration the effect that any changes we make will have on the efficiency of government and also on the people affected.

I would like to remind everyone that the present situation has the salaries of federal civil servants frozen for three years. This means last year, this year and next year there will be no bonuses paid.

Bill C-339 proposes to eliminate the payment of bonuses in the public sector of Canada. It demonstrates a lack of understanding of the performance bonus system in place for senior public servants.

I would like to briefly go into the history. In 1981 when a management category was created, it was decided to allocate a portion of the senior level's compensation package to annual re-earnable performance awards—or lump sum payments—rather than having these sums permanently built into the base salary.

The advisory group on executive compensation in the Public Service, a private sector group made up of senior executives from the Canadian business community, has been providing advice and recommendations to successive governments over the past 24 years.

The advisory group first recommended and still supports the performance bonus approach to pay. The principle that a certain portion of the compensation package for executives should be put at risk, that is individual rewards determined on the basis of their contribution to the organization, is very widespread in the private sector. Performance lump sum awards were introduced for public servants by reducing the salary range maximum to compensate for lump sum performance payments.

• (1130)

Therefore the replacement of the base salary adjustments with bonuses represents a cost saving because the lump sums are not compounded from one year to the next. Performance lump sums do not represent an extra payment but rather an alternative, a more cost efficient and effective method of distributing the same compensation envelope. We are talking about the same compensation envelope.

I would also like to point out that the elimination of performance bonuses would mean moving to a system which provides permanent base salary adjustments equal for all regardless of their level of performance or their contribution to the organization. Not only would this be counterproductive but also unfair and most of all, my greatest concern, more costly.

I would like to add that the passage of this bill would be going against the current trend in the private sector. Many of my constituents have advocated that we go this way. This was reported by the Conference Board of Canada and other consulting firms on the increasing portion of the compensation package that is variable or performance related.

Finally, the proposed act would have the effect of reducing the flexibility of the compensation system in favour of a rigid and more costly method of compensation. The government has the responsibility to ensure that public servants' compensation is fair and equitable compared to compensation paid in other sectors of the Canadian economy while being attentive to the interest of the Canadian taxpayers.

To date, the advice of bodies such as the advisory group on executive compensation in the Public Service has been determinant in establishing the current compensation system for executives which is recognized as one of the best systems by many other countries. We should continue to rely on those with the necessary expertise to make compensation recommendations.

I would like to do a synopsis of what this means. The advisory group on executive compensation in the Public Service expressed the opinion that a certain portion of the compensation package for senior executives should be put at risk, in line with the private sector thinking. That is what a number of my constituents are asking for and have continued to ask for.

Directly linked to performance it is misleading to suggest to Canadian taxpayers that the current system is overly generous. It is not. Performance pay does not represent additional compensation. The system of performance pay is looked at in many countries as one of the best systems in the world.

Misconceptions abound about how and why these bonuses are being paid. Performance pay is not a bonus but rather one part of a total compensation scheme for Public Service executives. Five per cent of the total package for Public Service executives is normally set aside for performance pay. I said normally because for three years it has been discontinued temporarily.

• (1135)

Performance pay encourages high performance by rewarding individual employees. It is an effective and economical way of encouraging high performance and is a system recognized as being cost effective.

Bill C-339 would necessarily entail changes to the salary administration plan. Automatic salary increments that are permanently added to a base salary would be a major disruption to a system that has been working well.

I will conclude by saying that I do not see any immediate or prospective gain to be achieved, at this time, by passing Bill C-339.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my colleague from St. Boniface has introduced a private member's bill dealing with a pay item that has been the cause of much frustration. Lump sum payments commonly referred to as bonuses, be they bilingual bonuses, performance bonuses or what not, have been criticized for many years.

Generally, bonuses are paid in respect of performance, which sounds reasonable to me, and in respect of bilingual capabilities, which was a commendable initiative. But over the years we have come to that conclusion. That is why the hon. member for St. Boniface saw fit, and rightly so, to deal with this problem which should have been dealt with a long time ago. Should we pay bonuses to a few supposedly qualified people, Public Service managers, or look at the system as a whole instead and tell all those who are working to make it better, especially by making it more effective and efficient, that they deserve a lump sum payment or bonus?

My colleague made a few points and I agree with him that we should have a fair and equitable system under which all Public Service employees who have helped improve efficiency should get a bonus.

Other organizations that have been overlooked in this analysis would indeed deserve the same deal. My colleague from St. Boniface pointed out to me that some organizations are missing from the list and others, such as the NRC and all other departmental agencies, should be included. In the end, no one should be excluded.

The nearly $66 million paid in bonuses is quite a lot of money. Many people are realizing that big money is spent on bonuses, and many of those who are not getting a bonus do believe they have contributed to improved efficiency. So this is becoming a source of frustration for them, and that is understandable. Over 375,000 people work for the central government throughout the public and parapublic sector in Canada. That is a lot of people. It is essential that we have a system in which the people feel they are all working together and where bonuses are not just for a few managers according to the standards.

The question of course is that these bonuses in relation to individual compensation are disproportionate; the bonuses are very high compared to the salary. So that raises questions. My colleague from St. Boniface wonders if the time has not come to refer this issue to committee where it can be thoroughly examined, because we are not just dealing with a few thousand dollars here, but tens of millions of dollars paid in bonuses. Like my colleague, I believe it is essential to discuss this problem in committee, and in good faith of course, because these are our employees and they deserve that we take a look at the rules and criteria governing the payment of bonuses. I am convinced that the situation can be improved.

• (1140)

Right now there is a perception that this system is not fair. If you stop and think about it, a lot of questions come to mind. Therefore it is important that in a system like ours perception match reality. Right now it does not fit reality and the perception that people have clearly demonstrates that the system is not fair.

One wonders if the system is objective. Of course, in the face of so much criticism, we are led to believe that there is certainly a flaw somewhere. It is therefore very important that in people's minds this system be objective and fair.

As the representative of a constituency located in the national capital region, on the Quebec side where a lot of civil servants reside, I have had the opportunity to hear this issue debated on numerous occasions. I do not claim to know all the elements that should be taken into consideration to solve the problem, because I noticed that there are people who can talk about this issue for hours on end. My colleague from St. Boniface tabled a motion regarding this issue and I do not think it is a partisan initiative. It is absolutely clear that only in committee, with the co-operation of all the parties in this House, will we be able to review this issue thoroughly. Several people have worked on this issue and we must examine the different criteria in order to make this system fair. I am convinced there are ways to achieve this objective.

Moreover, we must ensure that the perception, not only on the federal government's employees' part, but also among the general public, is that the system is fair and objective.

These are essentially the comments I wanted to make altough a lot more could probably be said about this issue. I simply want to mention, for the benefit of all those who get these bonuses as well as for the many who do not, that we want this system to undergo a review. I am convinced that with good faith this can be done, thereby making the system fair for all federal public and quasi-public employees.

[*English*]

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, there is a question to be asked: Where does fairness begin and where does it end?

The two members on the government side of the House, the member for South Shore and the member for Wild Rose, both said that we must be fairer in dealing with civil servants. I can agree with that. I think we should be fairer, but does fairness begin with the 4,750 managers in the Public Service and stop there? Does it not apply at all to the more than 200,000 who are not managers, who are not affected by this bonus program and who do not benefit from it? They get no bonuses regardless of their performance, but the managers are entitled to bonuses.

The member for South Shore in particular said that it was based strictly on merit and performance and that if it were any other way it would not be proper. I can also agree with that. However I would like to ask the member for South Shore how many of the managers did not get a bonus? How many of the people entitled to participate in this program did not get a bonus? It would be interesting to see what the figures were and also to get some idea of what the ranges were. We know that no one outside the top 4,750 received a bonus, but how many within the group did not get one?

Both members on the government side said that it was not an add-on, that there was a deduction from the pay package and this was made available to them so they could make up what they had lost. They did not deny the possibility that they might come out ahead as well. Again, I would be very interested in seeing the figures to see how much of a deduction there was in anyone's salary before this bonus system came into effect.

I would like to make a small wager with my friend from South Shore, if we could talk about this later. I will bet there was no reduction in salaries put into effect and that people had to prove by their performance before the amount of pay they had been getting for the same work in the same position could be re-established. That is another way in which the program we have now is not fair. It is just not fair to be treating people that way.

• (1145)

The people in managerial positions are the ones who are getting top pay now. They average much in excess of what the people in the bargaining units are getting. Yet the bonus is available only to those in the top brackets, not to those in the lower brackets.

The freeze on salaries for those in the bargaining units will be in effect according to legislation for a period of four years now. For four years they are frozen with no movement at all. Is that fair in light of the fact that it is gradually being eaten away by what is certainly a reduced increase in the cost of living but is still a gradual increase? They are steadily losing some of their salary. Over a period of four years there will be a substantial reduction.

These other people in managerial positions have an opportunity to make that up, and perhaps even a little more, with their performance bonuses. However the people below them are taking all the heat. They are the ones on the firing line, who are dealing with line-ups of people applying for unemployment insurance, who are really stressed out, who are having problems and who are getting paid the least. Many of them are women, women who are the heads of single families. They know their salaries are frozen for a period of four years. Is it fair to them?

If we are talking about being fair to 4,750 managers how could we totally leave out of the discussion the concept of fairness with respect to the more than 200,000 who are doing the work, some of which the managers may be getting credit for when their performance bonuses are calculated? I agree we should be fair, but it is not fair to do what we are doing to the people in the bargaining unit. That is to say to them that they shall do without but those who are in charge of them and who are responsible for them are going to get performance bonuses.

It is not just performance bonuses. Reclassifications are available to people. From what we have heard through problems in our ridings and in our critic areas we know that the people in the upper ranks are being reclassified into higher and higher salary positions while people who are actually on the firing line, sometimes literally, are not.

For example, I am thinking of fisheries officers who are armed in some cases because of the hazards of their occupation. They have been trying for years before this freeze ever came into effect to get reclassification in line with their training and that take into account the hazards of the job, which is hazardous to the extent that in some cases they must carry arms. They cannot get reclassification yet the people who are supervising them, the people who are in the managerial positions, do get reclassifications as well as performance bonuses. Is that fair? I submit it is not. The government's arguments about fairness are falling on deaf ears when it is talking to somewhere in the neighbourhood of 220,000 public servants.

This program, this freeze, was initiated because of the financial condition of the government of the country, because of the amount of money that we owe, particularly internationally. It is not making much difference there but nevertheless it is supposed to make them feel they are part of the campaign to fight the deficit, and eventually to fight the debt one would hope.

Is it fair to freeze the ones at the very bottom of the pay level and say that there will be no adjustment in their pay but the government is going to reward the ones at the top for having suggested that one way of not spending so much within the department was to freeze salaries for the ones at the bottom and to give performance bonuses to the ones at the top?

People will sacrifice. They will do their share to fight the deficit. People will do without. However if they see that this program is being applied unfairly, if the people at the top are continuing to get rewards and the people at the bottom are being denied even the possibility of maintaining their status then they are not going to feel so enthusiastic about fighting the deficit, not if the weight of fighting that deficit is placed on the shoulders of the ones who have no possible way of fighting it and no possible way of maintaining their position.

• (1150)

I suppose one of the things that bothered a lot of them, and we get headlines for this and sometimes perhaps there should not be, was that the Governor of the Bank of Canada had his pay scale increased by something like 25 per cent at the very time at which he was taking credit for having destroyed the economy of southern Ontario and with that eventually the economy of Canada as a whole. He wrestled inflation to the ground, regardless of the cost to Canada, regardless of the increased unemployment, regardless of the fact that the Conference Board of Canada said at the time that it was the first time in history that we were in a made-in-Canada recession. Since then it has become much worse. A performance bonus perhaps, but it was certainly a reclassification to a much higher level of salary.

How can they talk about fairness when they are leaving out of the equation any concept of treating employees fairly in the face of giving managers something extra, when they are allowing certain individuals, heads of Crown corporations for example, to move upward within their ranges and then when they reach the top of the range they increase the range higher so those individuals

are able to get regular increases? When the employees see that going on they know it is not fair.

Bill C-339 is an attempt to convince people that there will again be some kind of fairness applied. I am not saying I agree with Bill C-339, after all it is imposing something. It is doing something by handing it down, by giving a reward to somebody on the basis that they have earned a reward. That is not the way of negotiation and we do believe in negotiation.

The government's program is wrong, there is no question about that. This bill might make it look a little better for the time being, but it is not the answer in the long run. The answer in the long run is to deal fairly with everyone. That means everyone, not just the ones at the top or the ones at the bottom but all public servants. That is what this legislation should be trying to accomplish.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, the New Democratic Party must be going through a period of profound reflection and rethinking its philosophy.

A few moments ago we heard the NDP member for Nanaimo—Cowichan talk about deficit reduction and expenditure control. This is a new departure for NDP members because so far spending and borrowing money has been uppermost in their minds. That is why I was astonished, to say the least, to hear the hon. member for Nanaimo—Cowichan of the New Democratic Party talk the way he did. This is a fundamental change in policy.

To get back to Bill C-339 introduced by the hon. member for St. Boniface, I had a chance to hear the hon. member's arguments when he presented his bill before the subcommittee on private members business. I listened to his arguments very carefully, and I must say, after giving a lot of thought to the purpose of the bill, that the hon. member for St. Boniface failed to convince me it was a good bill. There are a number of reasons for this, which I will try to explain as clearly as possible for the benefit of the members of this House, who will be asked to vote on the bill either later today or later this week.

The purpose of Bill C-339 is basically and specifically to eliminate the payment of performance bonuses in the federal Public Service. First of all, I want to say that as the bill is worded, if it were approved by this House, the government would have to eliminate all bonuses now offered in the federal Public Service, including bilingualism bonuses, isolation allowances or any kind of bonus paid by the federal government to its employees for specific reasons, in addition to performance bonuses.

• (1155)

My hon. colleague's bill would eliminate or abolish these bonuses. There is a whole series of them. I mentioned some just now, like bilingual bonuses, the bonuses for on-the-job training or for working in remote regions of Canada and the bonuses given to those who provide special education, for example.

Of course I am not prepared to approve this bill. I cannot approve it or vote for it because had it just concerned performance and efficiency bonuses I might have given it another look, but eliminating all the other bonuses is reason enough for me not to support it.

Furthermore, the other fundamental point on which the bill causes serious problems is that it goes against agreements reached between the federal government and its employees in collective agreements and collective bargaining. Bonuses are paid which are an integral part of the collective agreements and salary agreements that the federal government has concluded with its employees. For the government, going back on these agreements would simply mean that the employer has decided not to respect that part of the collective agreements and this would be quite unacceptable.

I listened to the argument of the member for Gatineau—La Lièvre who spoke of $66 million paid in bonuses. For the benefit of those listening to us today, Canadian taxpayers, I must say that this money is already in the Public Service salary budget of the managers for whom it is intended. This is not new money that the federal government has to pay. These are not additional amounts that the federal government must provide in its budgets. They are already in the payroll package.

When the bonus system was implement 5 per cent of the Public Service payroll of those for whom these

bonuses were meant, the managers who met the program criteria, was set aside to pay the bonuses. This is not new or extra money.

I have thus submitted three reasons for which I must vote against the bill presented by my colleague from St. Boniface. I hope that the other members of this House will recognize that it is important for the federal government to reward its managers who do their jobs well, who look for ways to reduce spending and cut needless expenditures in the Public Service. I therefore trust that hon. members, when they recognize how effective Public Service managers are, will vote against the bill of my colleague from St. Boniface.

[*English*]

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, it gives me a great deal of pleasure to be able to take a few moments to speak on Bill C–339 this morning.

There is a perception in the public mind's eye that we are talking today about something that has become part of a system that somehow or another is abusive.

It behoves all of us to speak in defence of senior public servants who have been the recipients of performance pay since 1981, if indeed their performance warranted, to clear up the notion that what we are talking about is not just another Christmas bonus a government has decided to reward its senior managers with.

We have a system whereby senior executives are rewarded much the same as they would be if they were involved in the private sector. It is important that we have the opportunity to attract people who are competent and capable of performing jobs which are vital to the country. We need those who are as interested in becoming public servants as they would be interested in the private sector.

• (1200)

I have hardly begun and my time is already up. I am sorry that I do not have more time to deal with this very important topic, but suffice to say in closing we are fortunate indeed to have senior public servants in place who are professional at their jobs. It is the compensation package in place that in part attracts them to the jobs.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the item is dropped to the bottom of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House proceeded to the consideration of Bill C–109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act, as reported (without amendment) from the legislative committee.

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): There are seven motions in amendment standing on the Notice Paper for the report stage of Bill C–109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act, all in the name of the hon. member for Mount Royal.

[*Translation*]

Motions Nos. 1, 2 and 3 will be grouped for the purposes of debate and the vote on Motion No. 1 will apply to Motions Nos. 2 and 3.

Motions Nos. 4 and 7 will be grouped for debate and voted on separately.

[*English*]

Motions Nos. 5 and 6 go beyond the scope of Bill C–109 since they attempt to introduce new concepts into the bill. The Chair must rule them out of order in accordance with citation No. 698(1) of Beauchesne's sixth edition. They will not be selected.

[*Translation*]

I will now submit Motions Nos. 1, 2 and 3 to the House.

[*English*]

Mrs. Finestone: Mr. Speaker, I rise on a point of order. Before we proceed with the debate on Motions Nos. 1 through 7, I have read and listened very carefully to Your Honour's decision on the grouping of amendments at report stage.

I do accept your ruling, Mr. Speaker, however I must express my disappointment. I was wondering whether the Chair could assist in satisfying my concerns by indicating to me whether the Chair and the Table took into consideration that the intent of this particular bill, Bill C–109, in part is to protect cellular privacy, to protect people from the snooping and eavesdropping that occurs out there.

I would like an explanation, if you would not mind, on how Motion No. 4 which deals with the use of scanners was acceptable whereas Motions Nos. 5 and 6 which you have ruled out of order deal with the availability of scanners. In my view they both address scanners and their availability. The one talks about preventing the import, distribution and sale as has been done in the United States in order to control access to the information that is being exchanged on a cellular telephone.

I wonder if the Chair could assist me and perhaps might even reconsider the debate around Motion No. 5.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I understand the hon. member's disappointment, but I want to reassure her that before making its decision, the Chair followed the rules and tradition in this kind of situation, where the Speaker seeks to group together motions that have the same theme.

On this point, without wanting to get into a discussion with the hon. member, I am not a procedural expert but I know that in their recommendations, the Table carefully considered the scope and substance of the amendments submitted by the hon. member. I wish to reassure her that the decision was made in accordance with the tradition and rules of this House.

• (1205)

[*English*]

Mr. Edmonston: Mr. Speaker, I had a similar question to that of my hon. colleague because we are going to be discussing the purchasing and possession of scanners.

It certainly would be helpful for us if before getting into this discussion we would be able to make ourselves privy of the information that perhaps was discussed and decided by the Clerk so that we would see the exact mindset on the particular question of scanners.

Mr. MacLellan: Mr. Speaker, in that same vein I too have a concern. My concern is that when we are looking at the whole question of scanners we are looking at cellular phones not being telephones, so to speak, but more or less being radios and having the phones' conversations picked up by scanners.

If we are allowed to sell scanners, manufacture scanners and import scanners it goes directly to the absolute use of the scanners. With the experience in the United States and other countries there is an inter–relationship where the whole picture has to be looked at. I too am rather confused as to how the differentiation was made and why the distinction not to allow Motions Nos. 5 and 6 was determined.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair's decisions cannot be appealed. I am somewhat embarrassed to have to discuss this ruling. I am quite prepared to review it in the light of the arguments hon. members have just presented. I submit that we could at least begin the debate on the first few motions and I could check again. But, once more, I would not like us to debate the Chair's decision, which cannot be appealed in this kind of case, let us not forget. This is what I suggest: let us begin right away and the Chair could review the decision in light of the facts that were just presented.

Therefore I submit Motions Nos. 1, 2 and 3 to the House.

[*English*]

MEASURE TO AMEND

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 1.

That Bill C–109 be amended in Clause 4 by striking out lines 21 to 36 at page 8.

Motion No. 2.

That Bill C–109 be amended by deleting Clause 12.

Motion No. 3.

That Bill C–109 be amended in Clause 13 by striking out line 27 at page 14 and substituting the following:

"section 184 or 193 may, on the".

She said: Mr. Speaker, this amendment removes the government's proposal to create an indictable offence

with a penalty of up to five years in prison for anyone who maliciously or for gain intercepts a radio based telecommunication or telephone conversation.

On this issue I would like to point out that we concur with the privacy commissioner who said at the legislative committee: "I favour a technical answer if one can be found". I will elaborate on "if one can be found" in a moment. He went on to say: "If limitations on the manufacture and distribution of scanning equipment were the answer I would find favour with that too".

Like the privacy commissioner, I have not been convinced by those who said that a technical approach would not work. We have to try it first and it has not been tried. Should we not try the banner scanning approach before moving on to jailing people for the interception of radio based telephone or cellular calls? I think that all of us in the House know how overcrowded the cells are in this country and how costly it is to maintain people in prison. This in a sense is a white collar kind of crime that could lead to a very serious infringement that could impact on the stock market. It could impact on the personal lives of people.

• (1210)

All that being said, where there is the potential for constraining this kind of action rather than moving immediately into the Criminal Code and into the criminal system, I think one has to look at other avenues and at the civil remedies already in the Radio Act.

I believe we should think of this as a balanced approach. It makes sense before one moves hastily into the Criminal Code, heavy sanctions, heavy fines and the long term that we have to get to that point perhaps down the road. However, it should only be as a last resort, not as the first resort, as this government moves for the first time to take a look at what is happening with the potential for scanning conversations on private cellular telephones.

I would like to point out that the cellular telephone is given a certain band width. That band width is allocated by the Department of Communications. The companies that manufacture and sell cellular telephones are using a precious public airwave. They have a certain obligation and responsibility if they are going to sell this piece of equipment without the proper kind of protection. We know that one can encrypt these phones. We also know that with the speedy changes taking place in technology today we are digitizing phone calls and with the digitalization there is a much easier way of encoding or encrypting, whichever word you care to use, the message and the voice that are going across that air space.

There are hubs. There are distribution and radio centres on the wires across this land that transmit one's voice. One can encrypt it for the use, let us say, of the ministers, deputy ministers, army or police of this land. Then why does one not consider it equally important to stop the snooping and the eavesdropping which can be very damaging? One has just to hark back to Madam Wilhelmy and the impact on Mr. Bourassa, his credibility, and the whole argument around the constitutional accord.

I am saying there is the need for the government to find the kind of technological answers because the technology is there today. It must therefore take responsibility when it issues licences for cellular telephones to ensure that there is encrypting or protection on those lines in accordance with what the FCC is doing. The FCC has rules requiring that scanner receivers be incapable of tuning, or readily being altered to tune, within the bands allocated to the domestic public cellular radio telecommunications services.

The United States has rules and regulations and laws in this regard that will prevent and prohibit frequency converters being used in conjunction with scanners that receive or can easily be modified to receive cellular transmissions and require that scanners be incapable of converting digital cellular transmissions to voice audio. It therefore seems to me that Canada, which is in the forefront and on the leading edge of the technology and technological research certainly in the field of telecommunications, we can insist on this as a first step before we put people behind bars and we give them with incredibly high fines.

As I said, we are not encouraging the interception of cellular calls. We have a great deal of difficulty with creating an offence that could see these jails stuffed. Right now we have not moved to this control. Although the Department of Communications' functionaries tended to use an argument that there are 900,000 scanners out there, we know how ill-founded and peculiarly conceived those figures were.

• (1215)

In fact, when the department officials appeared before us we discovered that the figures they used included technology on the microwave, the oven in the home and the electronic door. They are talking about umpteen other things. It is not necessarily the scanners that you can go to Radio Shack to buy. However, one cannot, unless one deliberately manipulates it, have access to the band width which has the cellular telephone on it.

While we support the ban on scanners we want it to be a real act. We want this to have the kind of teeth that the minister said it would have to control snooping and eavesdropping.

I know at the heart of this matter is the whole question of the delicate balancing act between the right of individuals to privacy versus the legitimate needs of government or business to gather information. That is all very well and good. However, when I use a telephone, the fact that this is a radio phone has not been taken into consideration. This has been sold to the population as a telephone. Telephones over the twin copper wires that we are used to around this country have always protected my right to privacy and my conversation. The fact is that when I buy a cellular telephone it is not a normal telephone. I love this signal that they use to indicate a telephone, but it is really a radio. People are using the broadcasting airwaves.

There must be a way in which cellular telephone vendors make sure that one signs a document of consent so that one is made aware of the fact that one is buying a radio and not a telephone. One must be aware of the fact that one can buy encryption. Conversely, we may insist through the Department of Communications that they protect that telephone part of the spectrum. It is not then an acceptable first step to throw people into prison and to charge them under the Criminal Code when already they can be charged under the civil code through the Radiocommunication Act.

The other part of the amendment that I am bringing forward is a consequential amendment to the first one with respect to removing the Criminal Code. The third amendment that one sees in here relates to the fact that no person shall use any electromagnetic, acoustic, mechanical or other device receiving transmissions in the frequencies allocated to radio-based telephone communications that could be readily altered by the user to receive transmissions in such frequencies.

If we truly believe that we want to stop this kind of eavesdropping, that it can be damaging to families, to business, to industry and the stock exchange and that in every kind of way it can be mischievous if not dangerous, then I think one has to do the other things first. We do not have to move immediately into the Criminal Code. Therefore, I had recommended the other steps prior to moving in this direction.

I hope the government will listen, follow through and agree to this series of amendments and try technical solutions first. That is the reason why we have submitted the nature of the amendments that we propose to you. It is so that the use of those scanners is made inappropriate. It is not the Canadian way. We will use all mechanisms and all manners and all methods prior to going the Criminal Code route. Until we have given people the opportunity to know that they are infringing in a malicious and dangerous way, then it is not fair to apply a criminal sanction to this extent. I think we have other obligations first as legislators.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I rise today to support the amendments to Bill C-109 proposed by my colleague. I support them precisely for the same reasons she just gave.

• (1220)

We might call this bill the "Diane Wilhelmy Bill" or the "Bud Smith Bill", because there are now almost a million users of cellular phones in Canada and, up until now, that is before the two incidents involving Bud Smith, former solicitor general of British Columbia, and Diane Wilhelmy, a constitutional affairs assistant to Robert Bourassa, the premier of Quebec, we never had any problems with cellular phone communication. Never, Mr. Speaker. Do not forget that more than one million people are using cellular phones.

In my opinion, using the Criminal Code to jail people or fine them $25,000 for listening—sorry, not simply listening—you can listen to a private conversation, but you cannot say what you heard. That is the strange part about this bill that I call the "Diane Wilhelmy Bill". If you disclose the content of a conversation you inter-

cepted maliciously or for gain, you are guilty of an offence.

I consider this bill worthy of George Orwell's 1984, except it is late, since we are in 1993. Nine years later, George Orwell is among us. It is shameful that we should go against a precedent in the sense that protection is already provided by the Broadcasting Act. Here we are dealing with radio-based telephone communication not hard wire telephone communication. I am sure that none of the ministers opposite sincerely believe that their conversations on cellular phones are private and cannot be heard. They know very well that anyone could be listening.

This bill does not prevent anyone from listening to cellular phone communications but it prevents you from saying what you heard. That is strange.

Moreover, sanctions provided by the Criminal Code are so severe that, first, they would be very hard to apply and, second, they would allow prosecution of a person who, as a result of poor judgment, relates to his brother-in-law, his mother or a friend the content of a conversation he heard by mistake on a cellular. Do we really want that kind of Canada?

Had I heard hundreds of complaints in committee from Canadians saying: "Listen, here are the problems I have had. They have used my credit card number. They have plotted illegal or immoral activities," but there was no evidence to that effect, except for a former minister in British Columbia who made a date with his mistress. This was published in the papers and he had to deal with his wife and face his constituency. It was very embarrassing for him.

Here is what I think about what Diane Wilhelmy disclosed concerning the Charlottetown accord negotiations on constitutional issues.

• (1225)

I am glad to know what Ms. Wilhelmy said. I do not feel any of it was a state secret. I do not see anything wrong with the Montreal radio station CJMS or CJRP in Quebec broadcasting the information disclosed by Ms. Wilhelmy. I do not believe such action should be punished by sending a CJRP reporter to jail for a year or making him pay a $25,000 fine. That is ridiculous. It is not right.

We must ask ourselves this: Do we want to limit the interception of calls made on cellular phones? The New Democratic Party, my party, and I say yes. We believe that people should be entitled to privileged, private conversations. But is there no better way of ensuring this than by sending people to jail for a year or setting $25,000 fines? I think there is. A better alternative would be to do what the Americans have been doing for quite a while in the United States. They have simply banned the manufacture and especially the sale in the U.S. of modified devices capable of intercepting cellular phone conversations.

I must tell you that in order to pick up a cellular phone conversation, most scanners or other devices to intercept such transmissions must be tuned extremely carefully if you want to hear anything. I can tell you that even with those devices it is not easy.

There is another way. Cellphone companies are offering their customers a way to code all their conversations for $15 or $20 a month. Members of the B.C. legislature would no longer have a problem making a date with their girlfriend. Those working on the constitutional issue in Quebec would no longer risk being overheard by CJMS, CKVL or CJRP. They could speak freely. There are ways to do it.

Finally there is another method which most companies are using themselves. They would encode conversations themselves and then sell the idea that your conversation is safe from interception by other users. This is coming soon. Conversations will be coded. Why would we pass a bill to fix a problem that does not really exist? I find that disturbing when we complain that this government is always getting in the way, is too big and is introducing a bill which, for one thing, is unnecessary and second, penalizes Canadians for something that is not worth it.

In conclusion, I support my colleague's amendments and hope that the government will reconsider this bill because it is ridiculous and dangerous.

[*English*]

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I too would like to add some comments concerning this motion by the member for Mount Royal.

There is a definite contradiction here. I frankly do not like what we are doing in using the law to market a particular product. That is essentially what is happening.

• (1230)

As has been said by the member for Mount Royal and the member for Chambly, this is not a phone. It is a radio. Until now the airwaves have been open. They have been open for anyone to use, and we have used them for radio and television purposes.

A cellular phone is a radio, and I think that has been stated and agreed to by the Minister of Communications. We are also saying in this House, in the ruling that has been just handed down by Your Honour, that we should not really restrict the importation of scanners. What we are really doing with this bill is allowing scanners that can pick up cellular phone conversations. That activity is all right. It is not all right in the United States but it is all right in Canada.

In Motion No. 1 we are talking about the amendments to section 184.5(1) of the Criminal Code. It says:

> Every person who intercepts, by means of an electro-magnetic, acoustic, mechanical or other device, maliciously or for gain, a radio-based telephone communication, if the originator of the communication or the person intended by the originator of the communication to receive it is in Canada, is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years.

In Canada a lot of people are using cellular phones. Telecommunications companies want to sell cellular phones. It seems that the idea is to make cellular phones as attractive as we possibly can. How are we going to do this? We cannot say to people that their conversations on cellular phones are going to be private because we are allowing scanners to pick up the conversations. We are not telling people that anything they say on these cellular phones is not going to be used against them, is not going to be relayed to somebody else.

What we are then going to say, to step in and protect the large communication companies and the market for cellular phones, is that if people do relay the information they hear on a cellular phone through a scanner which is perfectly legal then they are going to be guilty of an indictable offence under the Criminal Code, not just a summary offence but an indictable offence for which they may spend five years in incarceration. That is incredibly severe.

Why have we done that? We have done that to try to deter people from listening in on cellular phone conversations. The fact is that people are listening on scanners all the time and it will be exceedingly difficult to prove this offence. It will be exceedingly difficult to say who told whom what. It will be exceedingly difficult even to say who listened in on the conversation. We are taking airwaves that have until now been open to the public and scanners which are perfectly legal and saying that people can use them and listen in but they cannot say what they have heard. Why?

There are two reasons. The first is to try to allow cellular phones a larger share of the marketplace. The second is to try to ease the fears of people by assuring them their conversations are going to be private. They are not going to be private. There is nothing here that indicates these conversations are going to be private. We are going to punish people if we can prove they have listened into a conversation and relayed the contents of that conversation to somebody else.

• (1235)

What we are doing is very misleading. We are trying to ease the fears of people. We are trying to make them believe that everything is going to be all right if they speak on a cellular phone. We are not saying the government has to outlaw cellular phones, but I think it is vital that we be straightforward with people. It is vital they know that if they use a cellular phone what they say is subject to interception.

There is nothing horrendous about that. People are still going to use cellular phones. They are a convenience. We have them in our cars and in our homes. The amount of usage will increase. That is a given. They are not going to disappear. They are too convenient in this modern age.

There is nothing wrong in qualifying what we say over the cellular phone. There is nothing wrong with that. If there is something vital that we want to say, something of tremendous importance that we do not want anyone else to know, then we should stop our car and go somewhere else and pick up another phone, one that is not a radio, and use it to relay that information. That is not a lot to ask. It may be somewhat of an inconvenience but the fact

of the matter is that there is a security issue, and thereby we would not be using the law to promote cellular phones.

The use of the law is all wrong here. It is wrong. We are using it as a marketing ploy. That is not fair to Canadians. That is not fair to those who are accused. It is not fair to make that precedent. If we want to say we are going to do what we can to safeguard phones then, as the member for Mount Royal has said, we should ban scanners, at least a certain scanner. We should be aware of the technology.

There is nothing here which forces the government, the Department of Communications, to monitor the technology of the cellular phone and the scanners so that we are doing what we can to make sure we have the best technological input possible to make the cellular phone as high a grade of technology as possible so it cannot be intercepted and to make the scanners that would be able to intercept this higher technology illegal.

There must be some protection for the people we are going to accuse and perhaps incarcerate for listening in and relaying certain information. It is wrong to use the law for that purpose, I am totally opposed to this. It is wrong for the government to have the cellular phone provisions in this bill. They should be in a separate bill. This is totally unacceptable.

Mr. Nicholson: Mr. Speaker, I am willing to stand down for the moment. I see someone else would like to make some comments.

Ms. Mary Clancy (Halifax): Mr. Speaker, I am delighted to follow my colleague from Cape Breton—The Sydneys on report stage of this bill.

As I was sitting here waiting for my opportunity to speak I thought of a commercial that most of us have probably seen on television. It is a commercial with regard to how Cadbury gets the caramel into the Caramilk bar. It is a big thing about technology. There are aliens from outer space who are trying to figure out the technology that gets the caramel into the Caramilk bar.

• (1240)

It appears to me that the same sort of logic has gone into this bill. Instead of figuring out the simple way the technology works the Department of Communications, led by its minister, has gone the difficult route. The difficult route is this attempt to use a cannon against a mouse. It is a perversion of the Criminal Code. It is not something that we on this side of the House can tolerate.

I doubt if there is anyone, except possibly a resident alien from Mars, who is not aware of the ability almost anybody has to intercept communications on cellular phones. They are not telephones in the real sense of the word. They are radios and the radio waves are being intercepted.

Most of us in the House have cellular phones in our cars. They are a great convenience. They are a convenience because we can pick up our cellular phones, call ahead to the next meeting and say we are going to be five minutes or ten minutes late. We can call our offices to find something out. We might call a constituent to get some information. Surely most rational human beings, with the possible exception of some members of the Royal Family, know that cellular phones are not the place for communications that we would not want to read about on the front pages of local newspapers. That should be a given.

I have had conversations with friends and colleagues. One friend said to me after one such conversation on a cellular phone: "Look, will you phone me when you get home so I can find out what we were talking about?" We are all aware of the very simple way in which these conversations can be intercepted.

My colleague from Cape Breton—The Sydneys is absolutely right when he says: "If you are going to ban something ban the scanners or at least the specific kind of scanner that does the most damage in this particular area". We are concerned in this party about cellular privacy, but we believe that the wrong instrument has been chosen by the government in this bill.

To use the full force of the Criminal Code as a first resort is really overkill. We believe the Criminal Code should be the last resort as a method of maintaining cellular privacy. The privacy commissioner himself said

at the legislative committee he would have preferred that technical means be found to deal with cellular privacy. We could not agree more.

The general intent of our amendments to Bill C-109 is to remove the Criminal Code offences and the Radiocommunications Act offences because we believe they are the wrong instruments for dealing with cellular privacy at this time. However we are doing something very concrete to improve cellular privacy and doing so by using strong technical means, that is the banning of scanners. We believe this is supported by much of the industry. Certainly it is also supported by no one less than the privacy commissioner himself.

If we use the full force of the Criminal Code we get into a whole series of problems which we on this side of the House believe to be untenable. It is not necessary to do it at this time. Among other things—and there are times that this happens totally by accident—I have had the experience on my own cellular phone of having crossed wires and picking up somebody else's conversation through my phone. I have had the situation with the new kind of phone that I have in my car right now that suddenly something will come blaring through the speaker on that telephone when I have not even pushed a button.

If someone picks up some information with absolutely no intent and nothing other than having the equipment in the car, what exactly are the ramifications for that person if the person should use the information in some way, shape or form? The whole sense and sensibility of using Criminal Code amendments in this particular area are nonsensical. It is just unacceptable.

The privacy commissioner was not convinced by those who said that a technical approach would not work. He thinks, and we agree, that we should try it first. That is why we are so very keen on the banning of scanners. Why should we not try the banning of scanners approach before moving on to jailing people for the interception of radio-based telephone or cellular calls? We think that this is a more balanced approach and that it makes sense before this hasty move into the Criminal Code. It may be that at some point further down the road, if we discover that the banning of scanners is insufficient, we might then have resort to the Criminal Code. It would be much simpler and much better, both as an example to set for the people of Canada and a way to enforce privacy, to do it by technical means rather than the use of criminal sanctions.

• (1245)

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, George Orwell is alive and well. He is right here somewhere in the government lobby across the way directing the debate on this bill. Perhaps he is even in the House right now. What on earth is going on with the government across the way? Why would we want to have a bill that does this?

Picture this situation. The scanner is not illegal. You can sit there in front of your scanner in your underwear drinking beer, as the minister of defence would put it. We know the special affection she has for people who drink beer in their underwear. You could listen to conversations of people. If you dare say "Wilma, come and listen to this", you have committed a crime. It is a criminal offence to have said: "Wilma, come and listen to this". Is that just a trifle Orwellian or what? You do not even have to tell the next person the content of the phone call. Revealing merely the fact that such a conversation exists to your wife is a criminal act.

Where do those people across the way come from? What kind of a mindset would lead anyone to adopt legislation like that? The hon. member for Mount Royal proposed something reasonable: remove that clause from the bill. It does not make sense. It is Orwellian.

The minister across the way knows better. Heaven forbid that he would not. Otherwise no wonder our transportation industry is in a mess, if he does not know any better than that. Why can we not instead outlaw scanners if we do not want people to have them? They can have scanners. They can listen to them but to tell someone else the content or that they did listen to the conversation is illegal. To make it worse, not only is it illegal but it is a criminal offence.

Could we imagine five years later going to the Solicitor General of Canada, begging on our knees and saying: "I want a pardon. I want a Solicitor General's pardon because I have a criminal record. I told my wife that someone was speaking on the cellular phone".

How is that? Why do we want to make people criminals? Why are we doing this? It is because someone heard Mrs. Wilhelmy on her phone. There is no other reason. We would not be talking about this bill otherwise. If that is our concern, why do we need a Criminal Code amendment? We do not, and government mem-

bers know it. The privacy commissioner has suggested an alternative way. People across the way will not listen to common sense.

Mrs. Finestone: That is the justice department. It does not know anything about communications.

Mr. Boudria: I do not know. There is a problem. If the justice department and others will not listen to common sense, I say to members of the House: Those who were elected here were not elected by the officials of the justice department. They were sent here by their electors to do what is right. No wonder the member for Niagara Falls is uncomfortable with this. He should be.

• (1250)

We look forward to having a recorded division on this particular vote. We want to know who is in favour of an Orwellian measure like that. We want to know if the Minister of Transport is going to spend his time putting people in jail for having told their friends that they listened to someone else's call on a cellular phone. If this government has nothing better to do than to propose measures like that, it is high time it stepped aside and let someone else provide some leadership for this country.

That section of the bill is offensive. There are other measures in the bill that are good. My colleague for Mount Royal has spoken eloquently in the past and today. But that particular provision is wrong.

I say to the minister and to all his colleagues: Get on the cellular phone and phone the Minister of Communications even at the risk of someone else listening, even at the risk of some criminal telling his wife that he heard you speak. Tell the Minister of Communications to remove that offensive provision and to listen instead to the constructive advice provided by Liberal members, in particular the hon. member for Mount Royal who has suggested a better way of doing it. Listen to the privacy commissioner who has suggested a better way of doing it.

Why is it that only the Conservatives think they have the right way of doing this and everyone else is wrong? It is a little bit of the mentality that everyone else is crazy except me that they have across the way. This time they are very wrong, hopelessly wrong. This is using a sledge-hammer to kill a fly and it is very offensive to all of us. It is certainly a good case of overkill, as the member for Chambly puts it, but it does more than that.

I believe that by adopting measures like this we are cheapening the Criminal Code. The Criminal Code is a serious document. I am not one of those MPs who is learned in the law, but I have respect for that document. It identifies those beliefs that are important and those things that are to be forbidden. It is an important document. By putting nonsense like this in the Criminal Code we are cheapening the whole thing. We are making the whole Criminal Code look absurd.

Imagine being the police and enforcing this stupidity. Imagine being the police and arresting someone for doing that. At the same time that contraband is coming into this country, that narcotics are being sold, that people are being murdered we are going to interrupt that important program, set it all aside to arrest and charge someone with the criminal act of having told another person that he had previously listened to a phone call.

No, my colleagues and I want no part of it, no part of it whatsoever. I say to the minister across the way that surely he should be more reasonable. I say to the parliamentary secretary: Come on, get serious. Surely we have better things to do in this Parliament than to make criminals out of ordinary Canadians for nothing.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, there are three motions before the House. Motion No. 3 is consequential on the first two. The first two are removing the offence of intercepting and disclosing radio-based telephone communications. Members of the opposition take exception to that. They use the very standard opposition technique of always giving a solution which is impractical, unworkable or impossible.

• (1255)

We have heard just about every opposition member indicate the way to go is to ban scanners, that we should look at the United States and that is the way to go. There are subsequent amendments proposed by the hon. member for Mount Royal that go to what they believe is the problem, the use of the scanners.

First of all I consider that proposal to be unworkable and I believe the example used to be incorrect. The United States has not banned scanners. The United States is proposing to ban the importation and manufacture of scanners. That is not even in effect right now and

it would have the effect of grandfathering all the existing scanners. At one point it was suggested the solution to this problem was the American solution. In my opinion, that does not get at the problem at all.

The member for Mount Royal also mentioned the problem as to how many scanners there are. You bet there is a problem as to how many scanners there are in Canada because it is very difficult to define what is a scanner and what is not. It is a fact for instance that cellular or cordless telephone conversations have been picked up on AM radios. Again it is very difficult to define the problem exactly. I have no problem and I am sure other members on this side have no problem with exploring what can be done in that particular area.

However, just to say it is the use of scanners that we are going to go after, we all know scanners have legitimate uses in some cases. Many legitimate businesses operate with the use of scanners, anything from ambulance services to delivery services. I do not think it is enough to say that if certain bands are used it will be outside the law. I see the definition proposed by the opposition as including those scanners that can be readily adapted or used. Just about any scanner can be adapted to pick up cellular telephone conversations.

The whole idea to take the American route and ban the scanners is not an option, as the Americans are finding out. They are finding difficulties with this and I do not think it is one that commends itself to this House.

What we have done is to go after the act we find objectionable. That act is the disclosing and the intercepting of radio-based telecommunications. The wording that applies to the first motion is that everyone who maliciously or for gain intercepts a radio-based communication, and the second one is those who wilfully use and disclose that communication. Members of the opposition find that infuriating and offensive.

There are many Canadians, including members on this side of the House, who find the interception of their telephone conversations to be objectionable. The hon. member for Chambly in talking about conversations recorded during the constitutional negotiations said he was very pleased to know about those conversations. Well we obviously have a difference of opinion. Canadians have a reasonable expectation that what they say during a telephone conversation, even on a cellular telephone, should be kept private. As the hon. member for Mount Royal says, these conversations do impact on the lives of people. When they are disclosed or when individuals are intercepting them maliciously or for gain it is impacting on the lives of individuals. I for one happen to think that is wrong. That is why we have gone directly after what it is we want.

• (1300)

The hon. member for Cape Breton—The Sydneys and other opposition members may portray these people as innocent, happy-go-lucky individuals who just happen to be picking up some conversations. I do not view them in that way at all. The British Columbia example, the example during the constitutional negotiations and the example of the conversations of the Royal Family, innocent individuals did not just happen to come across those conversations. These individuals are spending time, money and effort in trying to destroy other individuals. That is the type of person we are talking about and this is what these amendments to the Criminal Code are addressing.

At one point in the debate it was said that one must realize this if one of these things is being used. How about the individual who is using a land-based telephone and gets a call from somebody who is using a cellular telephone? With the technology it is very difficult and maybe impossible to tell when it is one of those conversations. What reasonable expectation does that individual have? Obviously what we are trying to do is to fill in the gaps. We are trying to make it complete so that if a land-based telephone is used there is the same expectation of privacy whether the user is speaking to someone on a cellular telephone or not. There is that.

I suggest to members of the opposition that inasmuch as there is no workable alternative at the present time to what the government is doing and inasmuch as we are going after them, I like the wording "those individuals who maliciously or for gain intercept". These are not just beautiful individuals, good upstanding Canadians; these are not the kind of people who should be protected under the present law.

As I say, my sympathies are with those individuals who do have their lives impacted and those individuals who do have their conversations intercepted. It seems to me that the sympathies and the support of the House should be with those individuals and not the individuals who for profit or for gain try to intercept those private communications.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 76(8), a recorded division on Motion No. 1 stands deferred.

If the House is agreeable, before proceeding to consideration of Motions Nos. 4 and 7, I would like to get back to the point of order raised by the hon. member for Mount Royal and by the hon. members for Chambly and Cape Breton—The Sydneys, regarding the fact that the Chair did not allow Motions Nos. 5 and 6.

I want to thank the members for explaining their position. However, after due consideration the Chair does not feel it is necessary to reverse its ruling for the following reasons. Motion No. 4, standing in the name of the hon. member for Mount Royal, concerns use. As you know, clause 24 prohibits the use of a telephone communication, and the amendment proposed by the hon. member for Mount Royal would extend this prohibition to the use of the device to intercept a telephone communication, which reflects the intent of the legislation before the House. However Motion No. 5, also standing in the name of the hon. member for Mount Royal, concerns the manufacture, importing, distribution, lease and sale of an electromagnetic device.

• (1305)

This is a concept that does not appear in the bill before us today, since the bill concerns the use of a telephone communication and not manufacturing, importing, distributing or leasing. This may be an interesting concept, and the Chair would not wish to judge the content of the amendment standing in the name of the hon. member for Mount Royal, although technically, according to parliamentary procedure, this amendment goes beyond the scope of Bill C–109.

That is why I suggest the hon. member seek other remedies under the Standing Orders if she wishes to pursue Motion No. 5. However, procedurally speaking, the Chair must abide by the principle approved on second reading of this bill, in other words, use of a telephone communication.

We shall now proceed to consideration of Motions No. 4 and 7, which are grouped for the purpose of debate.

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 4.

That Bill C–109 be amended in Clause 24 by adding immediately after line 31 at page 23 the following:

"(3) Except as prescribed, no person shall use any electromagnetic, acoustic, mechanical or other device capable of

(*a*) receiving transmissions in the frequencies allocated to radio-based telephone communication; or

(*b*) readily being altered by the user to receive transmissions in such frequencies."

Motion No. 7.

That Bill C–109 be amended in Clause 26 by striking out lines 18 to 29 at page 24.

She said: Mr. Speaker, thank you for your analysis and your explanation of the reasons that prevented the Chair from allowing the amendment as proposed. I also appreciate the Chair's implied conclusion that I will probably have to introduce a private member's bill if I really want

to bring about some satisfactory changes. Thank you, and, although I do so with regret, I accept your ruling.

[*English*]

This second group of amendments allows the use of scanners as opposed to my recommendations on their manufacture, sale or importation which have been, in a sense, disallowed. I find it ironic and illusory that we can discuss the use of scanners in this bill when we cannot discuss where they come from or prevent their use. As I think we all know, scanners are not manufactured in Canada. They are imported and therefore we cannot control access to them. We just increase the potential for their misuse by allowing a place for them in this country.

It is important for us to know that the scanners we are speaking about are not only those capable of receiving cellular frequencies. I am not saying we should ban all scanners. We are not talking about every last scanner or every hobbyist's scanner, just those within the cellular band.

My hon. colleague from Niagara Falls said the solutions I presented were impractical, impossible and unusual. Perhaps they are unusual for this government, this member and his ministry because they have not had the opportunity to stop and realize that this bill is full of illusions with no practical suggestions.

Mr. Lewis: I agree with him.

Mrs. Finestone: I cannot imagine why. That would be amazing.

• (1310)

We are not talking about the hobbyist scanners. I am somewhat amused when I think about the remarks made by the member for Niagara Falls. The figures that were bandied about were one million cellular telephones, which are really cellular radios. I know the government talked about 900,000 scanners but within those 900,000 scanners are the microwaves.

I would like to point out that to my knowledge the receiver capable of reception in the cellular band is not the microwave. The moment we find the mechanism to transform the microwave to receive cellular telephone calls I will agree with the figure of 900,000 scanners. Until such time we know the figures are totally false and inaccurate. They include all kinds of silly nonsense we are not referring to when it comes to the kind of serious matters we are referring to in this bill.

The government would prefer to go with the concept of malicious or for gain and forget that we are talking about those people who are going to talk about having intercepted a phone call and will say: "I heard my friend talking about her problem yesterday". It may have to do with a divorce settlement, her work or a purchase on the stock exchange. She may work for a company involved in some kind of program or project that is within the realm of secrecy. She may be interested in this whole matter and talk about it on her telephone, except it is not a telephone, it is a radio phone.

As my colleague from Cape Breton pointed out, not everyone stops to think and gets out of the car to use a pay telephone where there is safety and security and no interception. Here we have interceptions.

We are not talking about all the scanners capable of picking up calls in the cellular frequency and it does not ban every last scanner. When we refer to the use of scanners it is not intended to impede hobbyists who use them. I think my colleague talked about his dad who loves to listen to the police calls and follow what is going on in terms of safety in the streets. He has a particular interest as a retired policeman. That is perfectly legal. We can have those scanners as I understand it but we are talking about an entirely different matter.

In clause 4 I strongly recommend that we allow for the use of scanners. We talk about the disallowance of the use of scanners. Except as prescribed, no person shall use any electromagnetic, acoustic, mechanical or other device or receive transmissions in the frequencies allocated to radio-based telephone communications. Under this section I am trying to amend, scanners shall not be altered by the user to receive transmissions in such frequencies. It bans those scanners capable of receiving radio-based cellular telephone communications.

Mr. Speaker, you disallowed and explained the disallowance of Motion No. 5 and I accept your ruling. You have disallowed my Motion No. 6 on the manufacture, import, distribution, lease or offer for sale of any electromagnetic, acoustic, mechanical or other device and you will not allow that to be considered an offence.

You accepted the amendment that strikes out lines 18 to 29 because clause 26 generally creates the right of civil action against those contravening section 9(1.1) of the act. I suggest that we support this section because our amendment, Motion No. 6, which I read to you, Mr. Speaker, stops the summary conviction penalty from being applied to those who intercept cellular calls. It is not possible for the proceedings of such an action to be used as part of a civil action, therefore this subsection should be removed.

I think the whole area of criminality is like using a sledge-hammer unnecessarily. We are trying to do something in the technical field because the criminal field should be considered a last resort in answering the whole question of cellular privacy which is important as this becomes more and more the tool of tomorrow.

• (1315)

The question of privacy goes beyond the scope of what we are discussing in this bill and is increasingly becoming a serious issue in our society. There is the manipulation of information from 1-900 and 1-800 phone calls. Advertisers are looking for new mediums and because advertising is so expensive they want target markets. They are moving to get more and more information.

The privacy commissioner said that people's names are manipulated three to four times or more every day. The issue we are dealing with when we talk about privacy should be done at a substantive level, not at this illusory level. This does not end the interference that is creating a serious problem in our society. I think it is very important to examine the whole aspect.

In regard to this particular bill I share the view that was expressed by my colleague from Cape Breton. This particular cellular privacy issue has been inserted into a bill that looks at the very serious responsibilities of our police forces. They are charged with the security of this country and must have certain rights under certain terms and prescriptions such as the right to have a hidden camera or body pack and to overhear and pick up conversations. All that is very important. It is a shame that this bill, which we support in the sense of the amendments to the Criminal Code, has this ridiculous, poorly conceived, illusory approach. It is quite typical of how this Conservative government answers serious issues by making pictures and illusions. It does not take a practical approach and does not answer the question.

I hope the government will see its way clear to adopting the approach I have taken which my colleagues support. The opposition and the New Democratic Party see it as a favourable move in the direction of responding to privacy.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, once again I have the honour of rising to support Motion No. 4 and others which unfortunately were not allowed by the Chair. We are hearing good common sense motions from the opposition and I think we should give them the attention they deserve.

The question of scanners is very important because Bill C-109 is putting the cart before the horse. I think we want to emphasize that those particular scanners which can capture cellular telephone conversations should be gotten rid of and made illegal but that is not what we are doing.

The obvious thing about this piece of legislation is that when we talk about radio phone privacy it is actually a contradiction of terms. The radio aspect of a phone conversation uses the radio waves on the public airways. Because radio phones or cellular phones transmit over the public airways, it is practically impossible to enforce this type of legislation. That is the first problem we have with this legislation.

• (1320)

It is incumbent upon the government to show a serious, urgent problem when one considers how fast this legislation has been pushed through the House to this stage. Where is the urgent, serious problem that we are faced with?

I said somewhat facetiously that we could call this the Diane Wilhelmy bill or the Bud Smith bill in reference to the Solicitor General from British Columbia, I believe, who got caught making a date on a cellular phone with someone who was certainly not his wife.

He paid a political price for that. The journalists had heard it and had printed pretty much what he had said. I am sure that everyone is aware of the Diane Wilhelmy case in Quebec. She was a woman who worked in the constitutional affairs office of Mr. Bourassa's office in Quebec. She simply said how unhappy she was.

She said that the premier had caved in. I do not think he caved in on the constitutional talks. She gave some information that I am sure the premier's office would have liked kept out of the realm of the public. It is just as here on the other side of the House when the Prime Minister of Canada wanted to keep out of public hands as long as possible the poll results during the whole Charlottetown constitutional debacle. It showed from the beginning that the Canadian public was not in favour of this Charlottetown sellout of our country.

Unfortunately, now the government is trying to protect what it considers its interests are and let the public be damned. I do not think any minister or member of Parliament in this House believes for one moment that a conversation on a cellular phone right now cannot be overheard by anybody.

We know that. All one has to do is be aware of that. If one says in private what one says in public then there is no problem. If one has two different discourses or lifestyles or stories, then one is going to be in serious trouble.

I think essentially we are looking for a piece of legislation, as far as my party is concerned, which is balanced. We can support, obviously, the aspect of Bill C-109 that deals with giving police the powers they need in order to combat crime. There is no problem with that. It is a very important part of the bill.

We also support that part of the bill that gives citizens the right to sue for damages in a civil court, of course, whenever their conversations have been intercepted and treated with malice. Perhaps they lost money or the people have earned money by intercepting these conversations. That is fine. That is not in the Criminal Code. It is in the civil code. It would be in the civil code and one could do so.

We can support that as a political party. What we cannot support are the problems that this bill would create. There are some serious problems.

First, the bill attacks what it considers an urgent situation which is not really there. There is a saying: "If something is not broken, do not fix it". There is not a hue and cry across the country coming from citizens saying: "We need this legislation".

I have yet to hear of anyone saying: "Our credit card was stolen" or "The stock tip I had was known by many other people because of my cellular phone transmission". We are not getting this at all.

When we asked the government to come up with some examples of where, apart from government members being embarrassed, the urgency was, we did not see it. There is no urgency, no proof and no problem.

What this does do in causing problems is the following. Let us take a look at where the government did not consider the consequences of the bill, but where it could have serious consequences.

Suppose a bank president wants to monitor some of bank employees' calls and they know they are being monitored to make sure the right information is being given.

Suppose a consumer organization wants to make sure that the counsellors in the office are giving out the right information to consumers who call with a problem.

• (1325)

The employees know that their phone calls are being monitored. This happens all the time in business. Phone calls are monitored to make sure that customers are being served well and that the employees know exactly what the company's policies are. What happens is that it would be a violation of the law under this piece of legislation if one listens in to that call and the person calling through a cellular phone does not know that he or she is being monitored. Only the employee knows it. I hope the parliamentary secretary is taking note of this point. This would be a violation because this party that represents small business to a certain degree and large business to a great degree has decided that it is going to have the equivalent of this blockbuster bill to treat a problem that does not exist and which is going to create a problem with business.

I ask my hon. colleague who is the parliamentary secretary, through you, Mr. Speaker, whether he has ever listened in on a conversation between one of his employees and a consumer in order to see how well that employee understands the business and is transmitting what that consumer can expect from the business? Has he? I have. Other responsible businesses do. He would send me or him to jail or another business person to jail because we wanted to give good service to customers?

He had better go after Bell Canada, General Motors and Ford because they monitor the telephone service of their customer accounts.

Did he not know that? It is pretty late in the game right now when he has a Criminal Code violation to send these people to jail and fine them $25,000 because they want to make the service in their business competent and efficient. That is ridiculous.

Why do we have to cause people problems? Why do we have to have big government when just one easy solution is involved? That is simple. It goes back to what my colleague from Mount Royal says in her motion about restricting the use of these scanners. We do not have to ban scanners entirely. We can just make sure that the restricted use is on only those scanners that can monitor the particular radio band that picks up cellular telephone calls.

I hope and I expect the parliamentary secretary will respond to the point I raised as to what does business do if they want to listen to their employees to see how well they represent their companies. At the same time I would appreciate the parliamentary secretary looking once again at the question of those scanners that only pick up cellular telephone conversations and not all scanners as he said before.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like first of all to thank the Speaker for his clarification of the earlier ruling of Motions Nos. 5 and 6. I can appreciate, as the member for Mount Royal has said, the position and the points brought forward by the Speaker. Most of all, however, I particularly appreciate the time and effort he took to bring forward the clarification.

Certainly I accept the ruling of the Speaker. I see no problem with that. I was just looking at it from a certain point of view. If we do not have scanners or if we feel that scanners are the problem, how do we not allow the scanners to become a factor? That was the point I am sure the member for Mount Royal was also making.

I also want to refer to the point made by the member for Niagara Falls. He said that the U.S. has not really banned scanners. It has prohibited the manufacture and importation of scanners. I think that is a fair clarification. I think there is a distinction there. However, the importance of the distinction depends on the individual because of how people feel about this matter. It would be a subjective point as well.

• (1330)

This is the point I am concerned with. The point of view in the United States is that scanners *per se* are not banned but the manufacture and importation of scanners is going to be prohibited. I think it still provides quite a distinction between that country and Canada.

They are saying that inevitably in the United States there is going to be an improvement in the technology of cellular phones. Cellular phones are not going to be at the state that they are now. This technology is more or less in its infancy. Cellular phones are going to improve. One is eventually going to have to have a special frequency to intercept a cellular phone call.

One is not going to be able to pick it up in an ordinary scanner, a doctored radio or a scanner that picks up police calls or ambulance calls. One is not just going to be able to make a small adjustment there to pick up the cellular phone conversations.

One will have to buy a sophisticated piece of equipment to really intercept the cellular phone calls of the future. The Americans are looking at that. They say they may have a problem right now. However, the fact of the matter, marketing being what it is, is that the cellular phone manufacturing companies are going to want to say: "We are striving to make our product safer. We are striving to give you more security. When we give you this additional security we are going to give it to you in the form of the scanners not being available to intercept your calls".

I think that is significant because there is a carrot forcing the technology companies in the United States to advance, not to mention a stick beating them from behind in the form of reduced sales.

Here we do not have that. We do not have that stick and carrot at all. We are saying that scanners are going to remain as they are or they can be approved. It does not matter.

An hon. member: There will always be a way.

Mr. MacLellan: There may always be a way but the fact of the matter is that what we are leaving in Canada is the wherewithal for companies to make a better scanner. The better scanners will be manufactured and imported, whereas in the United States with the thrust they are taking they will not be able to put that better scanner on the market or to import that better scanner. Here we will always have that incentive to bring it in. The only

restriction is that if one passes along the information then it is against the law.

There are those who say: "Heck, now you can intercept phone calls and tap phone lines". There is a considerable difference between having a scanner that happens to pick up a cellular phone conversation and someone making the concerted and detailed effort of tapping a phone line. Certainly it can be done by police forces quite easily but it is not done by the ordinary citizen. The ordinary citizen would not do that sort of thing. It is perhaps out of fear of being electrocuted if for no other reason, but they would not do it. There is a major difference.

Perhaps the analogy about a cellular phone conversation being picked up by a scanner would be perhaps a party line where someone is called, one is speaking on the phone and someone else on the party line picks up the phone and listens in on your conversation.

I think we all know of information that has been picked up perhaps not correctly and perhaps it was immoral to listen in to people's conversations, but certainly none of these people have been brought before the law. None of these people have been charged under the Criminal Code for listening in on phone conversations. When people had party lines they knew they had to be careful what they were saying. They could not say just anything at all if they wanted their conversations to remain between the person speaking and the intended recipient of the phone call. However a party line was different in one significant way. If a person did not want to speak on the party line he or she could not go to another room and use another phone. He or she might have to go to another county and use another phone. If someone has a cellular phone in a car or home and wants to say something and have security, he or she can go into the other room and use the other phone.

• (1335)

If we are talking about service to the public, it was more of a crying need in the time of the party line than it is now with the cellular phone. The security is now there but the government is not trying to increase that security as the United States government is. That does not necessarily make what is going on correct even with what the United States is doing. I think it recognizes the shortcomings and is trying to compensate.

This government is either ignorant of the shortcomings or does not care about compensating. I think that is wrong. It is not doing the best it can for the people of Canada. I think in that regard there is a problem with the law. I hope this is challenged in the Supreme Court of Canada because I am very interested in the determination of the ruling of the Supreme Court. I do not want to give any hypothetical situations but so many come to mind it is hard to say where it would go. I am interested in the challenges of this particular legislation and these particular provisions.

I agree with the member for Mount Royal that it is unfortunate these provisions on the cellular phone are included in this bill because there are some very good things in this bill as far as the security of the public is concerned.

I would like to deal with them without having to deal with the marketing aids for these communications companies. These technological advancements make it more convenient for the public but there is a security problem. I think the public should be made aware of this. There is a real danger of telephone conversations being picked up and this is not being addressed. We are trying to use the law to market these products and I think that is wrong.

Ms. Mary Clancy (Halifax): Mr. Speaker, again we on this side of the House concur with the general suggestion of the privacy commissioner that we need to try a technical solution. My hon. colleague from Cape Breton—The Sydneys agrees, the hon. member for Mount Royal agrees and I agree for the second time today that the Criminal Code is not the place to go. We must go to the amendments and use technology to deal with technology.

The problem of cellular interceptions can be dealt with by banning the kinds of scanners that can intercept these transmissions. We believe it is only sensible to at least attempt to deal with this by-law in this manner before introducing the Criminal Code and the full force of such amendments. It is important to note that this particular amendment deals only with scanners capable of picking up calls in the cellular frequencies and does not ban every scanner. This is particularly intended to not impede the use of scanners by hobbyists. Obviously we do

not want to interfere with those people who use scanners for a hobby and do not intercept various communications with any nefarious intent.

• (1340)

I really cannot believe that anyone who has access to the technology of cellular phones is not fully aware of just how easily interceptable they are. I go back to a particularly unhappy experience that the Nova Scotia Liberal Party had with technology when we were electing our provincial leader.

Mr. Lewis: He is going to make a heck of a leader of the opposition.

Ms. Clancy: I say to the Solicitor General that we got a good leader out of it. He is going to make a very good premier come May 25 as you will all see.

I did not realize I would have an opportunity to do a free time political broadcast but I thank the Solicitor General for the opportunity.

We had what was known as "dial a Grit" in Nova Scotia. It did not work the first time but the second time they got the glitches out. Someone within the phone company bureaucracy made a phone call on a cellular phone and allegedly said what the totals were for the various candidates at that point in the election. A person intercepted that call, sold the tape to CBC and the next thing we knew it was on air. This created a certain amount of consternation in the ranks. It created a lot of consternation in a lot of ranks. But when those of us who were waiting to see if the day would ever come to an end heard that story our first response was to wonder how someone, and particularly someone who worked for the phone company could be so stupid and not realize this would happen, I go back to an adage that I learned in my convent school days: "God helps those who help themselves".

Mr. Lewis: There goes the phone vote.

Ms. Clancy: The Solicitor General never had any training like that at all.

We cannot protect people who do not wish to be protected. We cannot help people who are going to do stupid things. That should be some sort of basic axiom. It certainly should be an axiom of the Solicitor General.

People are going to use cellular phones and we should hope they are intelligent enough not to have the kinds of conversations they would not want to read about in the public press, particularly if they happen to be public figures. We have all seen enough horrendous examples of this interception to be aware of it.

As I said in my previous comments to the other amendments, the cellular phone is a convenience, particularly for people like us in this House. It is a convenience in communicating with our office, with the people we are dealing with as we go through a series of functions in our constituencies or here in Ottawa. It is clearly not the technology to use to have an in-depth discussion about your own private thoughts, your own private political thoughts or anything else you would not want to be made public. That is only sensible.

Consequently, to talk about using far too severe methods to regulate the privacy of cellular phones is both on the face of it and in depth a ridiculous response. The response of this government and the response of this bill should be to deal first and foremost with the technology. If, in banning scanners as our amendment calls for, we discover down the road this has not been a sufficient deterrent, then the government may want to look at Criminal Code sanctions. It is far too early, far too soon in the development of this technology to call upon the resources of the Criminal Code to deal with this matter.

As the privacy commissioner said, it would obviate the necessity of going around with a lot of people. If they could not do something in the first place because the technical means did not exist for them to do it, we would not require the criminal aspect.

• (1345)

It is only sensible that if the scanners are banned they cannot be used and calls cannot be intercepted. That is much simpler, much better and everybody has a chance to maintain his or her privacy.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I would like to speak for a few minutes on these particular amendments.

The over-all intent of a lot of the changes is very positive. The government is trying to put in a regulatory regime which will solve a lot of the problems that have been identified by users and people in the industry for quite a long period of time. However when the government starts talking about using the heavy hand of the law to solve every problem that comes along, people should be concerned.

To bring the Criminal Code into force to stop people from eavesdropping or stealing a person's private conversation is a problem. I am not saying it should be open to everybody and there should not be a law against it. But it bothers me that the amendments which were proposed by our party are probably not going to get the support of the members opposite.

The amendments quite clearly take the lead from the United States because the cellular radio technology is shared equally by Canada and the United States and indeed by most developed countries. In the United States they have recognized that this is a problem. They have recognized that most individuals who have cellular telephones do not think of them as radios. We have heard that time and time again in the debate on report stage today. That is exactly what it is. It is a radio. It is different from a hard-line phone where individuals can only listen in if they break the law and wire-tap or eavesdrop through electronic means.

Because of the advent of cellular technology, today almost everybody in business has a cellular telephone. Almost everybody who is a professional has a cellular telephone.

A few years ago everybody had a beeper. It is just about as inexpensive today to have a telephone as it is to have a beeper. People who used the old radio phones with the whips on the backs recognized that there was a problem. Most of them were used on construction sites and places like that and people realized that their transmissions could be picked up.

Because of the type of marketing that has been employed to sell cellular technology with its cheap price and availability, people think it is just like a hard-wired telephone. They are not as careful as they should be about their conversations.

Many instances of interceptions, some even dealing with the Royal Family have been reported. Some have involved ministers in British Columbia where private conversations were picked up on scanners. Once they were picked up they were related to the media and caused a great deal of embarrassment. It is almost as if the mind police are there. No matter what you say somewhere somebody may be listening.

There are a number of things we can do. Although it is probably not practicable in the short term, we should try to communicate to the hundreds of thousands of individuals who have cellular telephones in their cars, pockets, briefcases or at home that they are radios and their transmissions can be picked up. They should therefore be very careful.

It is not in the interest of those individuals who sell cellular technology to tell their potential customers to be careful. The reason people buy cellular technology is to make it easier to communicate. If they are told it is easier to communicate but everybody can hear them maybe it would not be as easy to sell the product.

The amendments put forward by my colleague for Mount Royal and seconded by my colleague for Cape Breton—The Sydneys simply say to just hold it now. Maybe we are using too big a stick at this point to solve the problem because we are dealing with stealing private conversations. We should put it in the context of theft. We are imposing on people's privacy in their private conversations. One of the things we proposed in the amendment is that instead of saying we are going to make it illegal and once it is illegal that will compel people not to do it, we will deal with the technology. What we are dealing with here are scanners, some of which are capable of picking up the band waves on which cellular phones are being used. If we want to get at the problem should we not first indicate clearly in law that the manufacture, importation, distribution and sale of those types of pieces of equipment are illegal, that one cannot do it?

• (1350)

It seems to me not to deal with that problem first will mean that we basically have a law on the books which is not enforceable. What are we going to have? Are we going to have the cellular police? How many people is the government going to have? Will there be a policeman in the back seat of everybody's car monitoring to see

if there is some static on the line or will there be somebody in everybody's basement that has a scanner in their living-room? How in the name of goodness does this bill put forward a reasonable solution to the problem?

We do not have 10 scanners or 100 scanners. There are tens of thousands of scanners out there and tens of thousands of scanners on the shelves in Radio Shack and other places that have the capability to pick up those bands on which cellular conversations take place. It seems to me that the first thing we should do is make sure that those pieces of equipment are not available in the marketplace and that we make the distribution, sale or ownership illegal.

I think if we do that, we will find that we are not putting the cart before the horse; we are putting the horse before the cart. The government for some reason has not chosen to do that.

I really do get concerned. In a political science class, I think it was at Prince Andrew High School about three years ago during the abortion debate when we were talking about the various proposals that were put forward, they asked the question is a law that is unenforceable really a law. If law makers pass laws knowing that they cannot be enforced, have the law makers not been negligent? Do we simply wash our hands, saying we have dealt with the issue knowing that the solution that has been proposed is not enforceable? I think we do a great disservice to the Canadian public when we take that type of approach. I think we do a great disservice.

I have heard no compelling evidence from anybody that the solution proposed in this bill is actually workable. I cannot figure out for the life of me how just by making the use of these things illegal and putting them under the Criminal Code and all of a sudden having some enforcement in some way will make people comply with it up front.

Indeed if we look at what they have done in the United States at the Federal Communications Commission there are pieces of legislation going forward prohibiting marketing radio scanners capable of intercepting cellular phone conversations. They have decided the way that one deals with this problem is to nip it in the bud. You make sure there is not a problem by making sure that these types of equipment cannot be purchased, imported, sold or owned, rather than just saying: "Everybody can have it but we are just going to make it illegal".

It is like saying to everybody: "You can all have a gun, but it is illegal if you put bullets in it and we are going to have people going around to make sure you do not have bullets in your gun". It is the same type of thing. Maybe if we have a problem with bullets and guns we should deal with the guns first.

I support the amendment that has been put forward by my colleague from Mount Royal. I think she makes eminent good sense. She normally does when she speaks in this House. I dare say that there is no one in this House, probably including the minister—yes, including the minister—that is as knowledgeable in the field or has worked as hard in her official capacity as the communications critic, as does the member. She does not put things forward just to be divisive or to cause debate. She puts them forward to try to better the legislation.

I would have thought by this point in time that the members opposite would have recognized that and seen the pearls of wisdom that she does put forward on pieces of legislation like this and would have accepted it.

In conclusion, it is not just the Liberal Party that is saying that perhaps the government is putting the cart before the horse and is proposing solutions that may not work. Indeed the commissioner himself indicated very clearly at the committee hearings that he would have preferred that technical means be found to deal with cellular privacy rather than using that big blunt instrument of the Criminal Code and we in this party concur.

As a result, we agree fully with the suggestions of the privacy commissioner that we have to try to find technical solutions to this problem first before using the heavy hand of the Criminal Code and the jail system which is already under great strains to deal with what otherwise might a problem more easily arrived at by adopting the amendments to clause 24 on page 23.

• (1355)

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I do agree with the hon. member for Mount Royal on one thing. It is extremely difficult, if not impossible, to define how many scanners are in Canada.

She was quite correct when she said that the figure of 900,000 scanners was bandied about several times during the committee hearings. It seems to me that what she was saying lends itself to what the government is trying to do. Because it is impossible to just state what exactly is or is not a scanner or what is or is not capable of picking up cellular conversations, it is better to do what the government is doing. We will make it illegal if one is the kind of individual who wants to sell other people's conversations.

I think the proposal suggested by the Liberal Party is completely unworkable. The Liberals want to ban any device capable of picking up a cellular telephone conversation. UHF receivers, including tens of thousands of older televisions, are capable of picking up these conversations. Many ordinary radios are capable of picking up those conversations. Much of the sophisticated equipment used anywhere from airports to businesses is capable of or can be adapted to picking it up. That is why the so-called solution of the Liberal Party, supported by the New Democratic Party, just cannot work. It cannot work and they know it cannot work.

That is the part of the argument by the member for Mount Royal with which I completely agree. Yes, she is right, I do not know whether there are 500,000 or 900,000 or 20,000. However, we are trying to get at what we think is wrong. We are getting at the electronic eavesdroppers. I am surprised that the hon. members would find that so offensive.

They suggest that we have to keep looking for a technological solution. They say that if one does not like people overhearing one's conversation then get a better encrypter or put in a more sophisticated encrypter. I can say with respect to that we are losing the war in electronics. The electronics are always going to be ahead of us. I think we are being short-sighted. We are doing ourselves a disfavour by not supporting the amendments that we have here because privacy affects all of us.

I suggest to the hon. member for Chambly that he should not be so worried about the businesses that want to listen in on their employees' conversations. They will be able to look after their own interests, I am quite certain. It is not necessary for him to take up their cause. They will do just fine.

The other individuals in the Liberal Party say: "Just get a technological solution". We are losing the war to the computer. Our privacy is being threatened every day. We heard evidence on that. We have less and less protection. That is why the government says: "If you are in the business of being a peeping Tom with respect to this sort of thing, if you are a professional snoop, if you are in the business of selling other people's conversations, then you are the kind of person who we do not like". These are the kind of people who are affected by legislation such as this. I say not to buy the argument that somehow we will just stay one step ahead of the computers and the technology. We have been losing that battle for a long time.

There are people in the United States now who, contrary to the suggestion that we should be looking at what they are doing, are looking at the route that we have taken on this because they realize that this is a threat to the privacy of their citizens as well. It is one that I believe commends itself to the House.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 4 standing in the name of the hon. member for Mount Royal.

• (1400)

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

The next question is on Motion No. 7. Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

[*Translation*]

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.

And the division bells having rung:

Mr. Langlois: Mr. Speaker, it is the wish of the government to defer the divisions to the same time as the deffered divisions of last Friday will be held.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 45(5)(a), the parliamentary secretary to the leader of the government is asking me to defer the divisions to a later date. Consequently, pursuant to Standing Order 45(5)(a) the taking of the divisions on the question now before the House is deffered until tomorrow at 6 p.m., when the bells will sound for not more than 15 minutes.

It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NATIONAL ACTION COMMITTEE ON THE STATUS OF WOMEN

Mr. John A. MacDougall (Timiskaming—French River): Mr. Speaker, on Friday I raised questions in the House concerning the National Action Committee on the Status of Women and President Judy Rebick's selection of the lobby group's new president.

I raised the issue because surely there is a Canadian woman from Newfoundland to Yukon who could lead NAC. There are many Canadians who would like answers from Ms. Rebick on her exclusive manners. There are many taxpayers who would like to know where their tax money is going.

Beyond this, I find it highly insulting that Ms. Rebick would hide in the shadows of political correctness and not answer to the concern many Canadian women have: Who is representing them?

To throw labels and insults at people is not responsible. To ask about a person's work status in Canada when she is in our country only on a student visa is a legitimate question.

I maintain that Canadian women's concerns and interests are best represented by a Canadian, a citizen who has lived here and understands the issues facing our country's women.

Even more important than this, Canadian women should be given an opportunity to choose who will represent them.

* * *

CROATIA

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I recently spent one week in Croatia and my visits to those Canadians involved in the situation, be it through the International Red Cross, refugee camps, the civilian police, the military or the European Community monitoring mission, revealed that all are conducting themselves admirably. All Canadians should be proud and supportive.

Our Armed Forces personnel, in their own words, are well trained and well equipped and, in the words of others, they are well respected. There is imminent

danger, even death, but Canadians are prepared to do what is necessary.

They do wonder if the people back home are aware of the gravity of the situation. They wonder why there is not more debate in the House. They wonder why there has been no official political delegation to see first hand the situation. They wonder why the deluge of mail at Christmas has been followed by months of little correspondence.

Let us support these people who are performing most difficult tasks in an unspeakable environment.

* * *

CLAM FISHERY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I would like to compliment the minister of fisheries and the department officials in Ottawa, Moncton, Antigonish and Halifax for responding to the needs of the residents along the Northumberland Strait and the Five Island shore who had expressed their concerns about the future of the clam fishery on both shores.

The minister and the officials addressed the situation in a timely and appropriate manner which appears will resolve the concerns of the people involved. Under the new regulations recently announced DFO officials are now able to take the necessary action to protect the clam beds and conserve the resource for future generations.

DFO officials in Moncton, Antigonish and Halifax have taken a key interest in this issue and have met with the clam fishermen involved to hear their concerns and listen to their advice.

• (1405)

The quick action taken by the department has resulted in the defusing of a very controversial subject in my area and has gone a long way toward conserving the resource. I would like to thank the minister and his officials involved for their co-operation and assistance.

* * *

PEACEKEEPING

Mr. George Proud (Hillsborough): Mr. Speaker, I rise on the matter of peacekeeping, which is of growing importance and concern to many Canadians.

We are among the best in the world when it comes to this task, with some 4,500 Canadian peacekeepers stationed around the globe. However it is dangerous and the results are often frightening. This past Saturday in the former Yugoslavia two Canadian soldiers were injured when their armoured personnel carrier hit an anti-tank mine.

Canada has never refused an invitation to join a mission. Right now we can meet our current duties but we do not have the resources to join new peacekeeping efforts. Not surprisingly, the government has no plan for Canada and its peacekeeping role. This lack of planning will result in more accidents, more wounded and sometimes more killed.

More often in the new world of peacemaking our troops have been sent in to what can only be called hot spots. More often we are asking our forces to risk their lives during these operations.

Is it too much to ask this government to make a commitment to our forces by creating a solid Canadian policy on peacekeeping? I should say not.

* * *

[*Translation*]

NATIONAL CONSUMER WEEK

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, National Consumer Week starts today. With its theme *It's Everybody's Business*, it focuses on raising public awareness of issues affecting consumers and the marketplace.

The government is repeating last year's theme because it is convinced that all economic partners in this country should be consulted on measures dealing with consumer issues. All groups in our society must take an active part in these consultations.

The theme focuses on generating public interest in marketplace issues and highlights the important role consumers, educators, businesses and government play in addressing marketplace issues.

This week, all Canadians are invited to rediscover the benefits of being informed consumers and thus helping to develop a fair, efficient and competitive marketplace.

National Consumer Week will give Canadians an opportunity to become better informed on issues that concern all consumers and on their own rights and responsibilities.

* * *

[*English*]

ABORIGINAL YOUTH

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I want to draw the government's attention to the continuing high rate of suicide among aboriginal youth. Within the last few weeks several more young people in the Northwest Territories have taken their own lives and several others have attempted suicide.

Earlier this month a special meeting was held in Iqaluit. The high school guidance counsellor is overwhelmed by the number of students who have told him they are thinking of killing themselves. In the words of the counsellor: "The numbers are staggering". Throughout Canada, from the Arctic to the east and west coasts, aboriginal youth are trying and taking their own lives at horrifying rates.

Miles Morrisseau, an aboriginal writer, talked in his column last week about how the will to live has been drained from many aboriginal youth by hopelessness and the sense that no one cares. He suggested calling off 1993 as the year of the indigenous peoples until there is something to celebrate. He said it is a tragic year when the words "succeed" and "native" are most often put together when the story is about suicide.

I do not want the government to forget amid its current preoccupations this terrible crisis in aboriginal communities. The government must now show it cares.

* * *

[*Translation*]

THE LATE GUY CARIGNAN

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, Saturday the people of the municipality of La Sarre paid a last moving tribute to their mayor, Guy Carignan, who died on Tuesday, April 20.

Elected mayor of La Sarre not long ago, Guy Carignan leaves us with the memory of a man who was kind, honest, very generous with his time, trustworthy and totally dedicated to his community.

Guy Carignan was always ready to defend a just cause and the interests of his region.

To his wife and children, I wish to extend my sincere condolences and hope they will find the strength to face this ordeal. I would like to add that Guy will always be an inspiration to our community, and especially to its younger members.

To Guy Carignan, one last word: Thank you.

* * *

[*English*]

FISHERIES

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, on Friday the Minister of Fisheries and Oceans announced his much delayed assistance package for groundfishermen in Atlantic Canada. Unfortunately the government intends to provide income support for only one year.

Does the minister expect a crisis that was over eight years in the making to go away in just one year? Some fishermen in my riding are looking at reductions of over $100,000 because of the quota cuts. Despite this the government is providing only $406 a week in assistance. How can the minister expect fishermen to make their boat payments, pay their mortgages and still put food on the table?

• (1410)

Conservative fisheries mismanagement has extended itself into a half-baked plan to help fishermen. Fishermen deserve better government than they have been getting, and come this fall they will get that in a Liberal government.

* * *

UNEMPLOYMENT INSURANCE

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I have become aware of a situation in which non-unionized workers of the federal government are being denied their UI benefits.

During the last PSAC strike many non-unionized workers at the taxation centre in Winnipeg crossed the PSAC picket line and went to work. Shortly into the strike these workers were sent home because of equipment failure. As a result many applied for UI benefits which I believe they are entitled to receive.

These workers should not be penalized because of the position taken by their unionized co-workers. They came to work and through no fault of their own were not able to perform their duties. These people deserve UI benefits and I will continue to pursue this matter to ensure that their benefits are reinstated.

* * *

THE ECONOMY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, 10 years ago when there was a Liberal federal government Canada's Catholic bishops called for alternative people-oriented economic and social policies. In particular they urged the government not to fight inflation by creating more unemployment.

This month the bishops restated their concerns and pointed out the social crisis created by widespread and sustained unemployment, including the fact that thousands of young Canadians have little hope for the future.

The bishops reminded us all that in the 1980s the Liberal government put control of inflation above job creation and "forced wage-earners and the unemployed to carry an unfair burden". Today they point out that the Conservative government is "forcing the unemployed to carry a disproportionate burden".

They conclude that "as long as job creation is not a firm priority the current social crisis will only worsen". They propose that Canada needs "new economic strategies that will create decent jobs and revitalize social programs". They stress the need for close co-operation between governments, business, labour and other groups in society in working out a new vision for Canadian society.

The similarities between the ethical approaches to the economy proposed by the Catholic bishops and the New Democrats' job strategy are striking. On this budget day I know the government will not listen to the NDP but why will it not listen to the Catholic bishops? Can it be because these church leaders have labelled their economic policies and those pursued by the Liberals as unethical?

S. O. 31

HEALTH

Mr. Stan Wilbee (Delta): Mr. Speaker, I was delighted to hear that the Nova Scotia government is prepared to follow the lead of the federal government in providing compensation to victims of contaminated blood or blood products.

However I was very disturbed to hear the Ontario health minister admit that the provinces had agreed to hold a united front to stop any such assistance to these unfortunate victims of the system, many of whom have already died, are dying or will die. I cannot believe the callousness of this action.

I was also very annoyed to hear the health minister of B.C. say that the subject needed more study. This subject has been studied to death. What is needed is some immediate compassionate action to assist these innocent people who are facing horrendous mental, physical and financial problems.

Provincial health ministers should be meeting right now to prepare a plan for such assistance before more victims are dead and their families are destroyed both emotionally and financially.

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OFFICIAL LANGUAGES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, few issues have raised such passion as the question of public signs in Quebec. Overzealous, restrictive legislation has not conveyed images of an open, respectful society. Bill 178 is repugnant. Its message makes non-francophones feel like second class citizens and has become an embarrassment for Quebec. Majority rights must never be obtained through the suppression of minorities.

This weekend we noted with encouragement and a sense of justice that the Quebec Liberal council proposed amendments to Bill 178 which will create greater linguistic expression. Now the government is to act. Hopefully in the forthcoming draft of the law not only free expression but the important issue of access to English language education for Canadian children without having to prove their eligibility will be addressed.

The right to bilingualism for communities like Rosemere should also be preserved. The English language hospitals and health networks should be protected, as should the travelling public in the matter of road and resort signage.

While I support the promotion of the French language for all of us we should never have reached a time in our society when the right to express one's self inside or outside in either official language has become an issue. It is urgent to correct this unnecessary policy which ignores minority rights.

* * *

STUDENT EMPLOYMENT

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, unfortunately, although one of the few areas with more money in 1993, the Challenge program will not be able to fulfil the need for student summer employment nor gain the potential the student work force offers. That is why it remains important for every business and institution in Canada to stretch as much as they possibly can to help temporary employment, particularly for those students who need it to continue their education.

• (1415)

Possibly the Challenge program could also change its focus so that more funds are used on a matching basis with employers to create the greatest number of jobs. For example, if the $2.50 base rate were allocated to a larger portion of the program on the basis of matching or higher sharing by employers, the total number of students employed would likely increase.

That is not to discount institutional or non-profit employment where Challenge pays a higher share, but perhaps even those budgets could be stretched on a large sharing basis so as to create an ever larger number of student jobs. The Challenge program is a good one but will not fulfil the need alone.

Canadian employers in all sectors should strive to tap the student work potential this summer. It is a good investment in the future of our nation.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Defence. I am very pleased the minister has changed her mind and has come back to Parliament, because I believe Canadians are very deeply concerned about the status and safety of our forces in Bosnia.

Contrary to what the government House leader said in answer to questions last Friday, we have heard the following kinds of statements made. The UN commander in Yugoslavia said the order is that Canadians "protect Srebrenica". The Secretary of State for External Affairs has said that having declared Srebrenica as a safe haven it is important that the UN live up to its commitments. An official at external affairs said there is a line being drawn for the first time.

Canadians want to know what line is exactly being drawn. What mandate is being given to our troops? Are they being asked to defend the civilians in Srebrenica? Are they being given the proper equipment to fulfil that task? Will reinforcements be given to them? Does the government have a contingency plan to rescue these troops in case of a serious attack?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker—

Mr. Simmons: General McDougall, Corporal Campbell.

Mrs. McDougall: —I thought the hon. member might want to hear a response from myself since I have been in very close touch not just with our own military but also with our international allies on this subject.

First of all we, as others do, recognize the risks in Srebrenica which exist also in other parts of Bosnia and in other parts of the former Yugoslavia. They are obviously doing a superb job. I think all Canadians would applaud the job they are doing there.

Some hon. members: Hear, hear.

Mrs. McDougall: I had a lengthy discussion with our military this morning. They are confident in the professionalism and in the leadership of our own troops on the ground in Srebrenica as elsewhere. Obviously we recognize the extra sensitivity in Srebrenica.

As always there are contingency plans. There are UN plans for any kind of change in what happens on the ground whether that should be some kind of attack or whether there is a need for a withdrawal. Should the situation change in any way there are contingency plans that have been established by UNPROFOR of which our people on the ground have been a part.

Both the Minister of National Defence and myself are fully confident in our military and the actions they have taken in this regard.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, seeing as the Secretary of State for External Affairs did not answer the question I put, I will repeat the question for the Minister of National Defence.

No one is questioning the professionalism or the competence of our troops. We are questioning the mandate that has been given and whether in fact the troops, about 120 in number, very lightly equipped, are now being asked to protect civilians in that endangered outpost, whether the Government of Canada has agreed to that, and if that mandate is in fact in place whether we are giving them the proper equipment, ensuring they will have reinforcements and primarily ensuring the safety and protection of the troops in a very vulnerable, sensitive position.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I think it is important to underline that the UN mission going on in Srebrenica is under UN command. It is worth carrying out and it is being well carried out. It is a success because the shooting has stopped in that region as a result of the Canadian presence there and as a result of the actions that have been taken by describing that as a safe haven.

• (1420)

If there is any change in the situation then there will be action taken. There are contingency plans to ensure that there are reinforcements available, including air cover that has been specifically and explicitly promised by our allies, and other contingency plans that will assist our people on the ground to know exactly what to do should the situation change.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, we are still not getting an answer to a very serious question.

Some hon. members: Oh, oh.

Mr. Axworthy (Winnipeg South Centre): The Tory government may laugh about this but it is not a laughing matter. It is not a laughing matter to be given the mandate to provide for the protection of our troops at the same time that they are not being given the kind of equipment or back-up they need. We want to know exactly.

The minister talks about change of conditions. We had today the imposition of a new sanctions program. Serious discussion is now being looked at in terms of air strikes. We do not know what the government's position is on that because clearly it will bring about retaliation.

Can the Minister of National Defence, the Secretary of State for External Affairs or somebody tell us exactly what is the Canadian position? Do we support these air strikes? Do we support a mandate where Canadian troops have been given the mission to defend civilians in Srebrenica?

When will we have a full and proper debate in this House so that the Parliament of Canada will find out exactly what is going on and we can have the consent of the Canadian people through their elected representatives?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, in the first place I think Canadian people, from everything they have been telling me, are strongly supportive of what we are doing in Yugoslavia.

Some hon. members: Hear, hear.

Mrs. McDougall: That mission as well, but there is a very explicit mission for the Canadians who are in Srebrenica, that is that it is a humanitarian effort and it is the evacuation of the wounded and of other civilians who may be ill. That is what the mission is all about.

The Canadians like others are in a position of making a determination as to what is the extent of their capacity to defend the town. If the town requires defending then

there will be reinforcement of the Canadians in order to defend it.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, last week the Minister of National Defence said that the beating incident in Somalia of March 16 was not conveyed to headquarters in Ottawa and so Canadians did not find out about it. Since then we all know otherwise. We know that the minister was briefed the next day.

I want to ask the Minister of National Defence: Why was this House given misleading and inaccurate information?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, first I would like to say that I will be making a statement on this and other events in the period allotted to ministerial statements immediately after Question Period, but the House was not given incorrect or misleading information.

With respect to the event to which the hon. member refers, I was briefed the next day that a death had taken place. It was not until March 31 that it was communicated to me that death had now been characterized as a homicide or as a murder. The press release was released, and I had it in the House the last time I was here, in Mogadishu. It is the custom of the armed forces to make those releases on the spot where the events have occurred.

I indicated that in my view there should have been better communication between Mogadishu. I am sorry, I think it was actually posted in Belet Huen. There should have been better communication between Somalia and the Department of National Defence. I have taken steps to ensure that kind of communication is now in place so that there is full understanding in Ottawa of all press releases and all information that have been made available throughout the world where our forces are in theatre.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, the point here is that Parliament has had to find out about these incidents in Somalia through the media, through private letters and through questions in the House. We know now that the minister has had the knowledge and information but she failed to disclose them. As a result unfortunately unnecessary confusion and speculation have added to a serious and sensitive situation.

Will the Minister of National Defence undertake a full-time commitment to regularly and openly brief Parliament on the conduct of Canadian peacekeeping operations without delay as they occur?

• (1425)

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, it is already the practice of the Department of National Defence to make public all the events that occur around the world. These have been well covered.

As I said, I will be making a statement in the House this afternoon, but I am not aware of any events that ought to have been disclosed to Parliament that were not disclosed to Parliament. If that hon. member has an example of something that should have been communicated I will be more than happy to take it under advisement.

We have been fully communicative of all the events that have touched on the particular activities of our peacekeeping forces.

Mr. John Brewin (Victoria): Mr. Speaker, my question is also for the Minister of National Defence.

In respect of the death on March 4, the early reports were that it was the death of a Somali and there was no hint of any allegation of homicide in that case until just last week.

Was the minister similarly kept in the dark by her own department, as she now says she was in respect of the March 16 incident and, if so, where did the cover-up begin and end? Was the minister herself the victim of a cover-up? Finally can the minister tell us what she did when she discovered she had not been told the full story by her own department?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, there was no cover-up and no effort to withhold information.

I have made every effort since the beginning of these events to ensure that they are disclosed to the public, but that they are disclosed to the public in a way that does not compromise my obligations under the National Defence Act to remain scrupulously neutral as to the interpretation of those events in light of the possibility that I may have to play one of my roles under the

National Defence Act in a quasi-judicial capacity, which is why I have instructed General Reay, the Judge Advocate General and others to meet publicly to disclose all events and all facts that relate to these particular circumstances.

Mr. John Brewin (Victoria): Mr. Speaker, I take it from the minister's answer that the people in the field who appear to have kept that information from the minister are still there and are still responsible for the command of our forces there.

In February the minister was interviewed in Halifax about a proposal that Alexa McDonough and others have made about having a peacekeeping centre in Cornwallis. The minister then said, and I quote: "The idea of a peacekeeping training centre is a wonderful idea for most people who do not know anything about peacekeeping, but I have had discussions with senior members of the Canadian military who are a bit perplexed as to what you would teach people about the normal skill of a good combat-ready military".

Is the minister, in light of what we have now heard about events in Somalia, still as convinced as she was in February that she alone knows that combat readiness is all the skills that are necessary to deal with as difficult and complex a situation as our forces are in in Somalia?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, there is a broad variety of skills and preparation required in deploying our troops wherever they are in the world, whether it is on humanitarian issues, peacekeeping or peacemaking operations. This training is carried out in the course of the training of the Canadian Armed Forces. It is for that reason senior members of the Department of National Defence were perplexed as to what additional kinds of things might be provided in a separate institution that are not provided now.

It is important for us always, and I as Minister of National Defence responsible for the direction of the armed forces take the responsibility seriously, to ensure that training which is part of the normal training of the Canadian Armed Forces is in fact carried out to the highest standard.

Mr. John Brewin (Victoria): Mr. Speaker, on May 1 a human rights organization called African Rights will be issuing a report in which it reports that our country is not the only one with these kinds of problems in Somalia, that in fact 230 Somalis have been killed by the multination9zal forces who are there under Operation Restore Hope. They have also said that the Somalis have been marginalized and Operation Restore Hope has achieved little or nothing of substance.

I wonder if the minister would agree that it is appropriate in a sense of priorities that we are spending more this year on our peacekeeping operation in Somalia than the entire CIDA budget for development assistance in all of Africa.

• (1430)

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I do not think that anyone who has seen the reports of the work that has been done by the Canadian forces and others in Somalia would for a moment think that anything was being accomplished there other than the alleviation of human suffering in enormous quality. That is what our people have been doing and that is what they will continue to do.

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HELICOPTER PROGRAM

Hon. William Rompkey (Labrador): Mr. Speaker, my question is also for the Minister of National Defence. This is a time of record unemployment. One million Canadian children are living in poverty and 700,000 Canadian children have used food banks. It is no time to spend close to $6 billion on the EH-101 cold war helicopters.

In the January 19, 1993 Victoria *Times-Colonist* the minister had this to say: "I am convinced the helicopter decision was the correct one".

I want to ask her today, in view of the overwhelming evidence to the contrary, does she still think today that that decision was a correct one and, if so, why?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I believe it is a correct one because I have seen no compelling evidence to the contrary.

Hon. William Rompkey (Labrador): Mr. Speaker, it is clear that this minister and this government put cold war helicopters above unemployed Canadians and hungry children in Canada.

The minister in *The Ottawa Sun* on February 2 said: "I", the innocent Minister of Justice at that time, "posed the question about the helicopters but I was persuaded it was good policy and that the cost of cancelling it would be unacceptable".

Four out of five Canadians tell the minister and tell the government they do not want these helicopters bought at this time. Why are the minister and the government refusing to cancel this decision today?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, first of all with respect to the question of the unemployed, there will be 45,000 person-years of employment for Canadians as a result of this particular contract. I do not think that is insignificant.

I would also say that I have spoken on this subject across the country and every time I have had a chance to answer questions which are posed across Canada, as I pose the question myself as a member of cabinet, about the validity and about the merit of this decision, every time I have had an opportunity to explain that decision I have found that the people who heard the explanation were overwhelmingly supportive of the decision. That is why I believe in its intrinsic merits.

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POVERTY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Prime Minister.

While his government promised that economic prosperity would trickle down to all Canadians, the fact remains that hundreds of thousands of Canadians across the country have been both excluded and forgotten.

I ask the Prime Minister: Given that the number of Canadians living in poverty has increased every single year that this government has been in office, how can his government possibly condone its vicious shell game of trying to redraw and lower the poverty line? When will the government actually get around to trying to eradicate the root causes of such poverty in this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend says that the government promised that prosperity would trickle down. That is a false statement. The government never said any such thing. If my hon. friend begins his question with an inaccurate statement, then one can only conclude that the rest of the question is also seriously flawed, as indeed it is.

How does one deal with poverty? By creating jobs; 48,000 last month. There were 1.4 million new jobs created since this government came into office, the highest job creation record of the G-7 countries. The government has done this by keeping inflation low. Inflation is now at a 30-year low at 1.5 per cent or thereabouts.

Mr. Marchi: What is the price of that?

Mr. Mulroney: My hon. friend says what is the price. There are costs to be paid. Obviously there are costs to be paid. Productivity has increased. Inflation is low. The IMF and the World Bank say that Canada will lead the industrialized world in terms of economic growth and our exports are at record highs.

The Royal Bank and most international institutions have now just predicted a decade of strong economic growth. I think that my hon. friend will see why when the Minister of Finance arrives shortly to present another budget that will secure Canada's economic growth and prosperity and deal with some of the important matters that my hon. friend has just raised.

• (1435)

Mr. Sergio Marchi (York West): Mr. Speaker, the price of that government's policy is 1.5 million unemployed, 3 million on welfare, increased line-ups at food banks, poverty, misery and the list goes on.

Given that a sad face of this chronic poverty in Canada is the hardship faced by the increasing number of one-parent families led by single women, 50 per cent of whom are unemployed and over 60 per cent of those who are actually employed earn, according to Statistics Canada, low-income wages, and given that this group is among the most economically disadvantaged and most vulnerable of Canadians, how can this government think itself responsible when it allows the chair of the poverty subcommittee to turn a blind eye to these Canadian families and in the process pretend that their problems have simply gone away?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in regard to the serious problem raised by my hon. friend, I would draw his attention to a study recently published by the University of Chicago's School of Social Work, a highly respected group, where it indicates that the policies pursued by the Government of the United States when compared over the last decade with the Government of Canada have been very seriously wanting.

They urge upon them policies like those pursued by the Government of Canada which has had the reverse effect of that suggested by my hon. friend with the exception of the recession, which has been tough for everybody, particularly those to whom he refers. The number of people on welfare, the number of people who need help at this time has been reduced, which indicates that the policies, for example, in favour of children, in favour of single families, in favour of targeting the resources of Canada to those families that need it most, are having a very significant effect.

I urge my friend to read this analysis from the University of Chicago which will indicate that he ought not to be disparaging what has been taking place in Canada but speaking of it with pride because other jurisdictions like the United States admire and envy the results that we have been able to secure in Canada.

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PEACEKEEPING

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I have just returned from one week in Croatia. I came away most impressed with the training, the equipment and the *esprit de corps* of our Armed Forces.

Some hon. members: Hear, hear.

Mr. Butland: I know that all members of the House would want to express support of these peacekeepers performing admirably in a most dangerous environment.

My question is for the Minister of National Defence. It concerns the situation in Srebrenica. At the invitation of Serbian officials we heard General MacKenzie, now a private citizen, on national television negotiating the status of Canadian forces. Is the minister in dialogue with General MacKenzie? What is his mandate? Is it appropriate that he be the spokesperson for the Canadian government?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, first of all I think that it is important to know that Mr. MacKenzie stressed that he was going as a private citizen to see the the Bosnian Serbs and the Serbs in the area because of earlier relationships that he built up with them.

I want to congratulate the hon. member for taking an interest in this and for going himself. I should point out to the House that I shortly will be going to Croatia, Bosnia and also Somalia.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I appreciate the minister's comments, but I suggest that General MacKenzie's actions have led to a direct impact on Canadian troops. I am just wondering if that is appropriate.

My supplementary question is as follows. Given the fact that economic sanctions are now in place and some type of military intervention is imminent, will the minister indicate to Canadians if she is prepared to commit further Canadian support to any military escalation that might occur? More important, will she commit herself to a full debate in the House of Commons on this critical issue before any such action is taken?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, first of all in terms of the particular situation of Srebrenica, the cease-fire there and the demilitarization there, that was a step that was agreed to by all the parties in the region.

• (1440)

It was not something that was imposed on Srebrenica by UNPROFOR.

The sanctions indeed go into effect at midnight tonight. This is something that Canada has been advocating for a long time, including the sanctions and their enforcement on the Danube as well as the Adriatic. We are very pleased that this action is being taken.

It is not inevitable that there will be an escalation. I want to underline that. In the question there was an implication that this was automatically coming. Obviously we are all concerned about that.

Remember, our objectives were to prevent the conflict from spreading, to provide humanitarian assistance and

peacekeepers and monitor cease-fires wherever we could do that. That was the objective of the international mission there under UNPROFOR.

Should anything change, Canada will do its part as it always has. At the moment there is no inevitability about that.

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FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for my friend, the Minister of Fisheries.

He made his announcement on Friday concerning compensation. That was certainly a step in the right direction. Yet the amount of money allocated, given the massive need in the five easternmost provinces, can only be called pitiful in that context.

The minister said that an estimated 2,000 fishermen and 5,600 plant workers would be eligible. He must be aware and I am sure he is that about 20,000 people need help in those five provinces because of the massive quota cuts and the job losses.

I ask the minister: Is it his intention to try to compensate only about one-third of the people in need? Who is going to qualify for this program?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I am glad to even get a grudging admission from the hon. gentleman that there is a program that was announced last Friday. This is indeed a step forward. The amount devoted to the program will never be enough. If we had the resources then I would certainly like to see more money allocated.

This is an amount that is reasonable. Our best estimate is that about 5,000-odd plant workers and about 2,000 fisherpersons will need assistance because they will not be able to qualify for unemployment insurance. They will not be able to get jobs this year as a result of the reduction in the quotas.

This is a $191 million program to assist with $18 million for job creation programs so that they can qualify for UI if they have not. There is $92 million over three years for training. They can become more professional as fishermen if that is what they wish, or there is other training for work outside the fishery for plant workers and fishermen.

There is a transitional fisheries adjustment allowance totalling up to $19 million so that they will receive at least the average of their last three years' UI once they have agreed that they will go into training. This will support a program for those in really dire straits.

The Plant Workers Adjustment Program for early retirement will be extended to the fish plants throughout the region that are affected by these TAC reductions. This $191 million program is to be added to in excess of $1 billion that the government allocated to meeting this situation in the last two years. I think this is reasonable and generous. It is all that we can afford in the present circumstances. I hope it meets the bill.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the minister has been aware for many months now of the problems in the gulf fishery, the Scotia shelf and on the south coast of Newfoundland.

Yet, on Friday he indicated that it is going to take nearly another month, May 15 I think is the date he used, to work out the details. Surely there is a way to speed up the process. I ask him, can he do that? Is there some way to avoid stalling further on this? There are a lot of people out there hinging on this announcement and its details. Can he speed up the process somehow?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I have been trying to speed up the process for the last two or three months.

If I could speed it up more speedily, I would certainly do so. There are certain formalities that have to be met. For example, there is the institution called the Treasury Board. It is positively not safe for anyone or any department to do anything that has not been vetted by Treasury Board first. We have the criteria worked out. I am hoping it will go to Treasury Board this week and that we get a quick response.

• (1445)

Basically this will apply to fish plants where at least 25 per cent of their throughput has been groundfish and to fishermen, 50 per cent of whose landed catch has come from groundfish. This is because the problem is with groundfish and not other species.

I will pass the hon. gentleman's suggestions on to the Treasury Board for quick action. If so, I do not see any reason that we could not announce criteria at the end of this week. It would be a miracle, but we could do it.

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ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister of the Environment who probably knows of President Clinton's announcement that the United States will stabilize greenhouse gas emissions by the year 2000 and will produce a plan by next August. The Government of Canada announced its intention to stabilize greenhouse gas emissions three years ago, but still has no plan other than a shopping list of options in the National Action Strategy.

Why after three years has the government still to produce a comprehensive and specific plan to stabilize greenhouse gas emissions to hopefully prevent global climate change?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, needless to say as Earth Day was last week we were very happy to acknowledge and to hear the news that the present American administration would commit itself to stabilizing its greenhouse gases at 1990 levels for the year 2000 as they had committed to doing during the election campaign. That is exactly what Canada committed to doing three years ago. We were also very happy to hear the news that the American administration had taken the advice of our Prime Minister and decided to sign and ratify the biodiversity convention.

On my hon. friend's specific question, Canada has made a commitment to a quick start agenda to having not only signed but also ratified the convention on climate change. We intend to produce our national plan which requires very close co-operation with provincial and territorial governments in Canada for that purpose. We intend to produce our commitments to the climate change convention by June. As of this morning, the information I have from my department is that we will be able to meet that commitment.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I thank the minister for his answer. However, it does not give the reasons for the three-year delay.

As he quite rightly said Canada has ratified the biodiversity convention. However, the question is: Why the delay on Canada's part in introducing the needed legislation to protect endangered plants and animals and the spaces they depend on for their survival? Why the delay in introducing this legislation?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, there is no delay. Canada is able to meet most of the commitments to the biodiversity convention, the commitments we made to the green plan and also the commitments that are made through different provincial legislatures.

For example, on the protected spaces side there are very clear commitments. Real progress has been made over the last two years in meeting our commitments as expressed and articulated through the green plan. On endangered species, we brought forward Bill C-42 which was the last piece of legislation to be approved by this House in 1992. As per the recommendations made by the Standing Committee on the Environment we are ready to look at any other suggestions on protecting species in this country that the House may deem as being appropriate.

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AIR SAFETY

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, my question is for the Minister of State for Transport.

I raised in the House the issue of aerobatic flying in the air space of St. Andrews airport. I have yet to receive a formal response to my inquiry on the status of aerobatic flying at St. Andrews.

Can the minister please tell the House how she intends to deal with this very public issue of concern?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, I am pleased to be able to confirm for the hon. member that I have directed officials that no aerobatic flights will be allowed in the air space over St. Andrews airport. The only exception will be one day a year for the aerobatic competition. I understand that is acceptable to both the member and his constituents. At the same time, Transport Canada officials in the region are working with the Manitoba Air Flying Club to make sure that they can find a suitable arrangement for them to do their practising in other air space in the Manitoba area.

• (1450)

STATUS OF WOMEN

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question is for the Prime Minister.

On Friday during Question Period and also earlier today the member for Timiskaming—French River made a racist and unjustified attack of the incoming president of the National Action Committee on the Status of Women—

Mr. Speaker: The hon. member may be concerned about a remark but I have said before in this House that to accuse an hon. member of making a racist comment is unparliamentary in this day and age. I would ask the hon. member if she wishes to refer to something that the member said and if she wants to enlarge on that in such a way that it is a matter that the government can answer, I will certainly let her do so. But I would ask her to withdraw the word "racist".

Ms. Hunter: Thank you, Mr. Speaker. For the record, Ms. Sunera Thobani is not an illegal—

Some hon. members: Withdraw.

Mr. Speaker: I am not stopping the hon. member from pursuing the question. I will listen very carefully to it. But I do want the word "racist" withdrawn.

Ms. Hunter: I withdraw the term "racist".

Let me give the background. Ms. Sunera Thobani is not an illegal immigrant, has never been an illegal immigrant and I suspect the reason the comments were made was because of her skin colour. I ask the Prime Minister—

Some hon. members: Withdraw.

Some hon. members: Oh, oh.

Mr. Speaker: I am very sorry but I am going to have to move on. I am prepared to discuss it afterward with the hon. member. The hon. member for Sudbury.

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PHARMACEUTICALS

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is for the minister of industry.

While this government talks about competitiveness it has implemented a drug patent policy that will cost Canadian companies such as INCO millions of dollars because of increased costs for employee drug plans. In a recent memo to its employees and pensioners INCO promotes the use of lower cost generic drugs as a cost saving measure.

Why has this Conservative government implemented this uncompetitive, detrimental and costly policy for Canadians?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member's description is totally inaccurate. In terms of patented medicines—remember the distinction, not all prescriptions but patented medicines—the Patented Medicine Prices Review Board has kept the prices of those drugs at less than inflation for the last five years. Those drugs not on patent, which represent 80 per cent of the drugs purchased by Canadians, have in fact gone up more than inflation. The control measures on those are entirely provincial through their formularies and so on.

The hon. member is distorting the facts when she says that Bill C-91 has had anything but a very beneficial effect on drug prices and of course profoundly in bringing forward hundreds of millions of dollars of investment and jobs in this important high-tech sector.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I am quoting from a memo which INCO sent out to its employees. This same memo states: "When you get a generic drug you are getting a drug that is exactly the same quality as the brand drug but you are getting it at a saving. Another plus is that when you use generic products in Canada you are buying Canadian".

Why has the minister implemented a drug patent policy that places profits in the hands of foreign multinational corporations at the expense of Canadian jobs, Canadian innovation and the Canadian generic drug industry?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member might have been in Mississauga last week when Astra invested $150 million and the president said that this was new research due to Bill C-91. Even Premier Rae had to praise the investment and acknowledge that it came from Bill C-91.

Mr. Dingwall: Who?

Mr. Marchi: Now you like Rae.

Mr. Andre: Perhaps the hon. member could ask her colleagues not to interrupt. The hon. member should recognize that once a drug is off patent, one can produce as many generic copies of it as there is approval for.

• (1455)

What that memo says is that ASA costs less than aspirin. That is because aspirin is the brand product and ASA is the generic product. For anything off patent there can be as many products as there are producers out there for it. What that memo says is that people should shop. If people did shop according to that memo the prices on all of the off-patented drugs would probably increase less than inflation as has been the case in terms of the patented drugs as a result of this government's legislation.

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IMMIGRATION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the minister of immigration.

It was recently reported that Sheik Omar Abdel-Rahman, an Egyptian militant and spiritual leader of the extremists who are charged with bombing the World Trade Centre in New York, was granted entry to Canada last fall and attended certain meetings here.

Could the minister explain how this individual was granted entry into Canada when thousands of others who are not dangerous are denied entry every day? Was the sheik's visit to Canada illegal and if so, why was it not prevented?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I feel vindicated. This is the member who opposed the modification of the Immigration Act to prevent the entry of undesirables to Canada. Today he stands up and asks how this could have happened in the past. I do not know if it did, but this is exactly why we modified the Immigration Act, to prevent the entry to Canada of criminals.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, this is the usual red herring raised by the minister.

Our law has prevented the entry of these people into our country for years and years. That has been on our law books for years now. The difference is that we need sufficient trained officers at the border to enforce that law.

The law was enforced last fall against these types of people and they have been turned down for years. But they were not turned down last fall because there are not enough trained people there to enforce this law.

This sheik has been associated with groups that espouse political terrorism. If his entry was illegal, I ask again how he got by the border officials when our law did say that type of person should be prevented entry at that time. I want to know if there has been an investigation into this matter and what the results of that investigation are. Let us not have any more nonsense.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I do not want to talk about red herrings.

The hon. member is talking about there not being enough officials to enforce Canadian law. I remember not long ago in this House I introduced the reconfiguration of our offices in Canada. Then we could place more emphasis on enforcement. Again, the Liberals opposed it. Now he complains again. The Liberal Party of Canada must make up its mind. It cannot have it both ways.

* * *

ARTS AND CULTURE

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I wish to address my question to the Prime Minister.

The budget of the Canada Council for the arts has effectively been decreased by some 30 per cent since 1981-82. A recent study by Vanderhoof and Associates demonstrates after an analysis of some 60 performing arts organizations that the cuts by the Canada Council in fact increase the deficit rather than decrease it. This is because of the increased payments to UI and welfare, and the decrease in GST and tax revenues.

I would like to ask the Prime Minister whether he, as leader of this government, will review the cuts to the arts organizations since it seems as though they are counterproductive. Cuts to arts in fact increase rather than reduce the deficit.

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, it is well known that in these times of fiscal and financial constraint everybody must contribute. The actions being taken by the Minister of Communications are to make sure that we respect the very difficult financial situation we are in, and the decisions that have been taken are along this line.

• (1500)

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I have a supplementary question. I prefer going to the Prime Minister.

The Independent Film and Video Alliance represents 7,000 independent film and video producers in Canada. Its budget has also been cut because of the cutbacks to the Canada Council. Most of the independent producers live well below the poverty line and the cutbacks will force many on to UIC or welfare.

Can the minister explain to the House what is the economic sense in cutting funding to the arts if the net result is greater cost to the public Treasury in UI and welfare payments?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I think this government has done very well for the arts and culture in Canada over the past few years.

I would like to remind the hon. member that this government has adopted many pieces of legislation such as:

[*Translation*]

—the Broadcasting Act and the Radiocommunications Act. It instituted public lending rights, adopted laws to protect authors and artists and passed the Status of the Artist Act.

I think that in the last nine years this government proved that it cares for arts and culture, and it has no lessons to be taught, particularly by the NDP considering the recent decisions made by the Ontario government.

* * *

[*English*]

YOUTH EMPLOYMENT

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of State for Youth.

Since the establishment of the summer employment portion of the Challenge program in 1985, thousands of young people have gained valuable summer employment as a result of wage contributions by the federal government to their employers.

The funding criteria have varied since the inception of the Challenge program and separate formulas are now in place for the private sector, for institutions and for non-profit organizations. The goal remains as many student jobs as possible.

I would like the minister to describe the categories by which the Challenge program is presently organized to allocate funds for creating the largest number of those jobs. Could we not increase the number of those jobs by allocating a higher portion of the Challenge budget to matching arrangements at the $250 base rate?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I assume from a very strict interpretation of the question of my hon. colleague, and if we were guaranteed to get the same amount of employers from the private sector, that he would be correct. Unfortunately that is not the advice I get.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

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

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

[*English*]

NATIONAL DEFENCE

INCIDENTS IN SOMALIA

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I rise today to address an issue which I know has been of concern to the Canadian people.

A series of incidents has taken place in Somalia which casts a shadow on the fine reputation of the Canadian forces. In the search for truth, for justice and to reassure the men and women of the Canadian forces and their families, these incidents must be addressed.

Four incidents are of particular concern. First, on February 17, 1993, 30 soldiers at a bridge in Belet Huen were confronted by a violent demonstration involving about 300 Somalis, some of whom were throwing stones. After shots were fired by Canadian soldiers, one Somali was killed and one was wounded. The incident was investigated by the local commander.

On the night of March 4, 1993, two Somali citizens approached the Canadian compound. Shots were fired and one Somali was killed and the other wounded. After staff at national defence headquarters examined the report of that incident, they ordered a military police investigation which is now in progress.

[*Translation*]

On March 16, 1993 a Somali was captured in the Canadian compound. He was later found dead as a result of a beating suffered while in Canadian custody. Subsequently, a member of the Canadian Forces who had been placed in closed custody for his alleged involvement in the incident attempted suicide. An investigation into the death of the Somali was instituted, and subsequently halted when it was determined that a military police investigation was warranted. This investigation is now under way.

• (1505)

On March 17, 1993 when an aid convoy arrived at Belet Huen from Mogadishu a fight broke out between the Somali drivers and local Somali residents, in which shots were fired. A member of the Canadian forces was directed to return fire and one Somali was killed. An investigation was conducted by the local commander.

[*English*]

After the first incident there was a press briefing in Mogadishu. It was reported by American press writers and Canadian press.

After the second incident the Canadian commander briefed the press and the story was carried in most major Canadian newspapers.

After the third incident, a press release was posted in Mogadishu and it was first reported in Canada by Radio Canada on March 30.

In the fourth case there was a press release in Mogadishu on March 17. The story was then carried by wire services and newspapers.

[*Translation*]

As I stated in the House, there was an apparent problem with communications between the theatre of operations and national defence headquarters. I have given instructions and measures have been taken to correct this problem. Nevertheless, the investigation and reporting of these incidents demonstrate the Canadian forces commitment to openness and their desire to see justice done.

[*English*]

Broad concerns have been voiced. There is a concern over secrecy. There is a concern about the Canadian forces and the units sent to Somalia. There have been press comments about violence and racism exhibited by Canadian troops in Somalia.

Over the past few weeks I have been confronted by two imperatives. Under the National Defence Act I am responsible for the management and direction of the Canadian forces. I also have quasi-judicial responsibilities in the military system of justice. In order not to prejudice the ongoing investigation and the rights of individuals involved, I have been careful not to discuss the details of these events. In these capacities I must balance the need to inform the public and Parliament with the need to ensure that the military justice process is not prejudiced.

In weighing all these responsibilities I have sought advice on how best to address these concerns within the context of recent legal developments concerning the

holding of public inquiries. I cannot allow a situation to continue which could undermine public trust or the morale of the Canadian forces.

I have received the considered advice of the Office of the Judge Advocate General, which is the legal department of the Department of National Defence, and the Department of Justice and now believe that I have found a way to address this situation.

[*Translation*]

I have, under section 45 of the National Defence Act, directed the chief of the defence staff to convene a board of inquiry at the earliest possible opportunity. The terms of reference of this inquiry will allow it to conduct an effective and timely investigation while at the same time respecting the most recent jurisprudence. To provide for participation by independent civilian members on a military board of inquiry, I am amending military regulations to allow civilian membership.

The purpose of the board of inquiry is to provide insight into the problems experienced by the Canadian forces in Somalia. Principally it will inquire into whether any of the concerns arising from this Canadian forces operation are the result of systemic problems, particularly in the Canadian Airborne Regiment. I hope to have the report of this inquiry by the end of July and it will be made public.

[*English*]

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The membership and the terms of reference will be made available to members of this House and to the public by the chief of the defence staff on Wednesday, April 28. In the meantime I have also instructed the department to make public whatever can be made public within the law on these issues.

[*Translation*]

Finally let me assure you that we are treating these events with the utmost seriousness and are taking all measures possible to resolve them. These incidents do not reflect the outstanding over-all performance of the Canadian Forces in Somalia as well as in the former Yugoslavia, in Cambodia and, indeed, here at home in Canada.

[*English*]

We are all justifiably proud of our armed forces and in particular I would like personally to express my support for their families at this difficult time. Finally let me assure that these events have not diverted our attention from our responsibilities with respect to our engagements throughout the world.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, on behalf of the Official Opposition I acknowledge the minister's statement. I understand what she has said. I regret that this could not have been done five and half weeks ago. I believe if this had been done earlier in the House a lot of the speculation and unnecessary confusion surrounding the specific events to which she referred, the confusion about the conduct of peacekeeping operations and other more serious issues involving how we do peacekeeping at this time in our history may well have been avoided.

The incidents described in the minister's statement and the conduct of the department after these incidents were conducted were addressed. What the minister did not address was the major question I have been asking since the knowledge of the March 16 Somalia incident became known to the Canadian public.

There are four specific concerns that I have with the minister's statement. My first concern is with respect to the apparent problem with communications between the theatre and national defence headquarters. I am aware,

as indeed is the House now, there is a requirement for the commanding officer to issue a significant incident report on incidents of the nature the minister described. There is a requirement that the chief of the defence staff be briefed on this and indeed that the minister be briefed shortly after, as soon as possible.

The minister attends or should attend regular sessions of defence council. The forum is there for the minister to have been made aware certainly within 24 hours of these events that have occurred. We are only finding out about it today, five weeks after the occurrence. The details have not been addressed and that is another aspect.

I can understand that perhaps the minister does not want to address the details, but that does not avoid the major point, that the minister in her responsibility for the direction and management of the Canadian forces as a corollary of that is responsible for informing the Canadian public, the House of Commons and Parliament on the conduct of these operations. This was not done and perhaps would not have been done for some time unless the questions were raised by the Official Opposition in the House to cause the minister to return and attend to her job in a full-time manner so that the issues could be dealt with properly.

There is also my concern in the area of the details of the terms of reference in the board of inquiry. I must say I do welcome the board of inquiry but the details itself bother me. The minister in her statement singles out the concern arising from the Canadian forces operation and any systematic problems, particularly to the Canadian Airborne Regiment.

I am somewhat concerned that any unit in the Canadian forces involved in peacekeeping would have to be singled out so specifically in the terms of reference of a board of inquiry. I believe the investigation terms of reference should include a broader concern over the conduct of information and specifically into the conduct of ministerial responsibility and the knowledge of Parliament of how Canadian peacekeepers are conducting their operations. This should be done in such a way that would avoid speculation and rumour and the necessity for private correspondence, media disclosures and other clandestine or not overt matters to be the subject of rumour and speculation and indeed questions in the House of Commons. I believe that has to be included as well.

• (1515)

Third, I am concerned as are my colleagues on this side of the House that the conduct of peacekeeping operations in Canada at this time in our history is not being done properly. There has been question after question in this House. There has been testimony to the Standing Committee on External Affairs and International Trade.

There has been testimony by experts to the defence committee. Their logic and chronology follows the same items. They acknowledge that Canada has been involved in as many peacekeeping operations in the last four years as in the whole 46-year history of our immaculate record of peacekeeping operations.

We have reduced the army by 4,000 troops, yet we have more peacekeepers in the field now than ever. We have 4,700 in 18 different locations.

In the testimony of the external affairs minister she says that we are being stretched thinly. She is concerned about it. Experts, including two generals in uniform, have had to speak out about the conduct of the operations and the fact that we are being spread too thinly.

Experts in the defence committee have given convincing and compelling testimony about the size of regular force units and about their concern that the number of militia soldiers far exceeds what is normally expected in the total force concept. They have expressed concern about the equipment and the mandate that our Canadian forces peacekeepers are given and the whole manner in which it is conducted.

I am reluctant for reasons that would be obvious to everybody in this House to raise this, but as a member of the Official Opposition and as an associate defence critic I feel compelled on this occasion to take notice of the alarming statement of the chief of the defence staff in a recent *Maclean's* article. It indicated that there may be some difficulties with leadership and discipline.

For the chief of the defence staff to make that admission is a very serious concern. I raise it in the context of this minister's statement on this occasion because it was in the same context that it was raised in the article to which I make reference.

There is only one way that the Canadian people will be satisfied in this area. We need to address these concerns that I have just chronicled. We need a full, open and

specific debate involving the considerable expertise on both sides of the House so that we can once and for all put the conduct of Canadian peacekeeping operations into the proper perspective. Then it will be done with the full knowledge and approval of the Canadian public and indeed of Parliament.

In closing, I would be less than adequate if I did not mention the fact that we in the Official Opposition have always been very laudatory and rightly so on the conduct of our Canadian forces peacekeepers. We have had, over 45 years, more than 85,000 young men and women participating in every United Nations operation that has been under way.

We have nothing but the greatest respect. There has been nothing said in this incident or at any other time that would reflect anything but the deepest and greatest respect and honour for our young men and women. We will continue to do so.

In summary, I look forward to the findings, conclusions and recommendations of this board of inquiry. However, I would once again ask the minister to keep a close watch on what is happening and to immediately implement a full and proper debate in Parliament on all aspects of our current peacekeeping undertakings.

• (1520)

Mr. John Brewin (Victoria): Mr. Speaker, first let me begin by congratulating the minister on coming to the House finally with a statement. It is a good thing that she has done and we appreciate it. It does in fact provide us with an opportunity at least to have a mini-debate, if we can call it that, on the situation with our forces in Somalia.

Let me also say at the outset that I welcome the idea of establishing a board of inquiry. That is a positive step. I further welcome the idea that there should be civilian representation on it.

I would ask the minister this. I am sure we could give her unanimous consent to do so. Will she stand in the House and say that she would agree to consult with the other parties in the House on the make-up of it so that the people of Canada can have confidence that it is truly a non-partisan commission that has been set up to get to the truth of what has happened?

Having said those things, let me voice some concerns.

[*Translation*]

What the minister tells us today in her statement is nothing new. She is only repeating information that we were able to get mainly from the press. She does not say anything about how she as Minister of National Defence has assumed her responsibilities.

[*English*]

The statement that the minister has given us today barely outlines what is already known by some of the initial press statements and leaves far more unanswered than she has answered. Let me just take them incident by incident.

Look at February 17. The account she has given to the House today does not include information which is already public. The commander of the troops facing that demonstration ordered his troops to fire two shots at the Somalis who were unarmed. One of them was then killed.

The statement about the March 4, 1993 incident says nothing about the serious allegations that were outlined in the House last week.

The incident on March 16, 1993 barely touches on the information that is already public.

In the account of the incident on March 17, 1993 the minister's statement makes no reference to the fact that the Somali who was killed was an employee of the International Red Cross and was trying himself to deal with the disturbance that was occurring at the time. There is no reference here to any investigation of that incident having been launched by the Minister of National Defence.

The minister goes on in her statement to outline the so-called press briefings leaving the impression that those briefings were full and complete. The fact is that they were so terse as to be misleading. When it came to the accounts of the incident on March 16, the third incident, the local commanders actively misled the local media from what was happening. They refused to answer their questions and turned them away from the story.

The minister has refused in this statement to give any accounting whatsoever for her particular response to any of this information. We are not asking her to breach her responsibilities—

Ms. Campbell (Vancouver Centre): Yes, you are.

Mr. Brewin: The minister says that we are. Let us just test that.

How does it in any way intervene with her responsibilities if she could tell this House what instructions the Government of Canada gave to our forces in Somalia in respect to the use of force? How does that in any way impinge upon the investigation? She could at least tell us that.

In December when the government sent the forces there it did not have in place any rules of engagement. I asked the minister this on Friday. The government House leader in her place refused to give any information in the House as to whether there were any rules of engagement now in place and the minister has refused so far to answer that question in the House.

• (1525)

Let me say further that she has put it down to a problem of communications between the theatre and national defence headquarters. Let us give her that. Let us say that information did not reach her or national headquarters for weeks after these incidents. That still leaves the minister with a question to answer that has nothing to do with her responsibilities under the prosecution or the judge advocate side of her responsibilities.

This is the question. Once she heard of all these incidents what did she do about it? What action did she take? Are the same commanders in the field? Are they operating with the same instructions? What is being done to assure Canadians that the reputation of our peacekeepers will not be further tarnished? The minister has answered none of that.

Then we come to the conclusion or the terms of reference that she has set out in this board of inquiry. The finger is pointed at the Canadian Airborne Regiment. However, there is nothing in here inviting the board of inquiry to ask questions about the responsibility of the Minister of National Defence for what has happened or for the senior officers as to what has happened.

What has happened is that there are far more questions left unanswered in this statement that the Canadian people are now entitled to.

We have a situation that my friend referred to. The chief of the defence staff has said that discipline has broken down among our forces there. Let me say this. We all understand that it is a very difficult situation in Somalia. There can be no doubt about that. I repeat that we all understand it. We have all supported our peacekeepers for years. We see this as a very important responsibility for Canadians. However, it is the responsibility of the Minister of National Defence for the operations of our peacekeepers to ensure that they are operating under proper restraint and if they fail to do so that she take immediate action to deal with that situation.

Even in today's paper there was reference to a press gag—as it was called—of the forces there in telling them that they cannot talk to members of the media. Yet the deputy commander was allowed to talk. What did he do? He blamed the opposition and the media for carrying on some vendetta against them in the interest of protecting the Minister of National Defence. Clearly that is not a fair and proper thing.

This is a very serious situation. We again congratulate the minister for at least going as far as she has. However, we would ask the minister at the earliest opportunity, which is tomorrow, to come forward with a more detailed statement and to account in this House for her responsibilities as the Minister of National Defence.

* * *

PETITIONS

GRAIN SHIPMENTS

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I rise, under Standing Order 36, on behalf of a number of Manitobans in asking the government to increase grain shipments by way of the Port of Churchill to a point where it equals 5 per cent of the export sales of the Wheat Board.

ALLIANCE OF LIFE

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I would like to present a petition on behalf of a number of Canadians. They are requesting by way of this petition that the government withhold funding to the planned parenthood project because there already exists a group called the Alliance for Life which is not dependant upon government support.

• (1530)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, Question No. 511 will be answered today.

[*Text*]

Question No. 511—**Mr. Shields:**

For the period of February 1, 1993 to April 2, 1993, what has been the (a) total cost (b) cost per question (c) cost for this question, to the government for answering Order Paper Questions?

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): (a) & (b) Questions answered during the period of February 1, 1993 to April 2, 1993:

Question No.	Approximate Cost	Question No.	Approximate Cost
203	$7,045	431	$85
204	7,045	432	233
207	1,958	433	332
286	82	434	187
303	266	435	126
313	3,967	436	65
325	3,190	437	99
338	51	438	233
367	10,726	439	656
389	791	440	493
396	198	441	230
402	164	443	233
405	433	444	158
406	429	445	199
408	128	447	87
413	94	449	44
414	92	451	760
415	97	453	131
416	332	456	75
417	281	457	215
418	147	458	147
419	48	462	148
420	138	463	176
424	232	468	90
425	65	470	746
426	46	471	158
427	170	474	89
429	65	475	94
430	176	487	196

Total Cost: $44,941

(c) $30

[*Translation*]

Mr. Langlois: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): The question enumerated by the hon. parliamentary secretary has been answered. Shall the remaining questions stand?

Some hon. members: Agreed.

Mr. Langlois: Mr. Speaker, I rise on a point of order. I was outside the House when you called for motions. With the consent of the House, I would have a motion to propose.

[*English*]

Mr. Dingwall: Mr. Speaker, we understand the duties of a very active and very learned parliamentary secretary and in view of the fact that we have given prior consent to the motion which he is going to move I do not think there is any difficulty in getting unanimous consent.

[*Translation*]

The Acting Speaker (Mr. DeBlois): There is unanimous consent to return to motions. The parliamentary secretary has the floor.

* * *

TRANSPORT

AUTHORIZATION TO TRAVEL FOR STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I wish to thank the House Leader of the Official Opposition and the representatives of the New Democratic Party for giving me their agreement to this motion. I therefore move:

> That 8 members of the Standing Committee on Transport and 9 staff persons be authorized to travel to Vancouver, B.C., and Winnipeg, Manitoba, from May 10 to 11, 1993 and to Saint John, New Brunswick and Halifax, Nova Scotia, from May 27 to May 28, 1993 in order to hold public hearings on the National Transportation Act Review Commission Report.

Motion agreed to.

* * *

[*English*]

MOTION TO ADJOURN UNDER S. O. 52

SITUATION IN BOSNIA

The Acting Speaker (Mr. DeBlois): I am in receipt of a notice of motion under Standing Order 52(1) from the hon. member for Sault Ste. Marie.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I rise today under Standing Order 52 to make a motion to adjourn the House for an emergency debate concerning the situation confronting Canadian troops in Srebrenica, Bosnia.

Circumstances surrounding the situation change as we speak. However, I certainly think everyone would recognize that they are in a critical state. It is very precarious for 150 men and women in the Canadian Armed Forces. Under a cease-fire agreement with the Bosnian Serbs Canadian troops were to evacuate and disarm Bosnian Muslims.

Yesterday morning they were told that the Canadians must leave immediately as it was claimed they had failed to adequately disarm the residents.

At the same time the Serbians have rejected a peace proposal. General MacKenzie today, on behalf of the government although a private citizen, supposedly has been making decisions on behalf of Canadian troops, which is unacceptable.

I realize this may be seen as ill timed. I believe Canadian lives in a foreign country are more important than a budget and could take precedence over any budgetary discussions and presentations we would have today.

[*Translation*]

Mr. Langlois: Mr. Speaker, I listened to what the hon. member said and I would simply remind the House that the Minister of National Defence made a statement a few moments ago in which she—

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member, but I am informed that in this situation, the Chair can make a decision immediately, since the motion is not debatable.

The hon. member has raised a matter that is of tremendous concern to all members of this House, and the Chair is therefore very much aware of the importance of the hon. member's request. However, as the hon. member knows full well, the criteria in the Standing Orders for emergency debates under Standing Order 52 are very strict. The Chair is of the opinion that the motion does not today meet all the criteria in the Standing Orders for an emergency debate. However, that should not prevent the hon. member from raising the matter again some other day, if he thinks that would be appropriate.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Dingwall: I rise on a point of order, Mr. Speaker. In view of the fact that at approximately 4.30 p.m. or thereabouts the Minister of Finance will be tabling his budget in the House of Commons, I understand that we will now be proceeding to report stage on Bill S-17, an act to amend the Copyright Act, the Industrial Design Act, the Integrated Circuit Topography Act, the Patent Act, the Trade-marks Act and other acts in consequence thereof.

• (1535)

My distinguished colleague from Dartmouth will be giving the position of the Official Opposition. I do not know how many members from the New Democratic Party will participate or whether my learned colleague from Nova Scotia will participate.

Perhaps we could suspend until 4.30 p.m. when those debates are completed so that members can have a few moments to prepare themselves with regard to the anticipation of the Minister of Finance's budget.

[*Translation*]

Mr. Langlois: Mr. Speaker, I listened to the comments made by the Leader of the Opposition in the House and I must point out that consultations were held last week. Opposition parties, that is the Official Opposition as well as the NDP, were informed of government agenda for this week.

We wish to proceed with Bill S–17 as quickly as possible, and then move on to Bill C–72.

Therefore, I simply want to mention that we on this side of the House want to proceed with the order of business as established.

[*English*]

Mr. Dingwall: Mr. Speaker, I do not wish to debate this much longer. All I can say to my hon. friend is that these matters were raised. If he will reflect and check upon his notes it was quite clear that members of the government would not get all of the bills it has listed, which include Bill C–109, Bill C–72, Bill S–17, Bill C–107 and Bill C–90.

I think I made that abundantly clear to the government House leader as well as to the parliamentary secretary. What I was hoping to do by my suggestion was to facilitate and have an understanding that when we complete Bill S–17, which I would hope would happen before 4.30 p.m., only a few moments, we could then adjourn the House until 4.30 p.m. when the Minister of Finance is to table his budget.

If members do not wish to co–operate and cannot see their way to co–operate with that kind of suggestion then we will have to debate Bill S–17 until 4.30 p.m. today, and perhaps we will have to debate it on Friday and again next week.

Mr. Langlois: Mr. Speaker, if the hon. House leader of the Official Opposition can give us, and the NDP also, a guarantee that we will be able to complete Bill S–17 before 4.30 p.m. then we would certainly be pleased to consider the suggestion he just made.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I take it, and please correct me if I am wrong, there is agreement to the effect that once Bill S–17 is disposed of the House will suspend its sitting until 4.30 p.m. Is there unanimous consent?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

INTELLECTUAL PROPERTY LAW IMPROVEMENT ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill S–17, an act to amend the Copyright Act, the Industrial Design Act, the Integrated Circuit Topography Act, the Patent Act, the Trade–marks Act and other acts in consequence thereof, as reported (without amendment) from a legislative committee.

Hon. Doug Lewis (for the Minister of Consumer and Corporate Affairs) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Motion agreed to.

• (1540)

Mr. Lewis (for the Minister of Consumer and Corporate Affairs) moved that the bill be read the third time and passed.

Mr. Darryl L. Gray (Bonaventure—Îles–de–la–Madeleine): Mr. Speaker, I welcome the opportunity this afternoon to rise in the House on a memorable day for all Canadians, budget day, and speak to Bill S–17.

Bill S-17 amends various provision in five pieces of legislation: the Patent Act, the Trade-marks Act, the Copyright Act, the Industrial Design Act and the Integrated Circuit Topography Act. Each of these acts is concerned with specific aspects of intellectual property. The government has tried to take a different approach here. We are putting together in one comprehensive bill a number of technical amendments concerning each of the acts I just mentioned. The procedure is comparable to what is done through the Miscellaneous Statute Law Amendment Act.

To my knowledge, this is the first time Parliament has tried to deal with administrative and technical changes to all legislation governing a specific field like intellectual property.

This use of framework legislation may set new standards for dealing effectively and appropriately with the business of Parliament.

This is a time of rapid technological change. It is absolutely essential, in a very competitive world economy, to keep abreast of the latest developments with respect to intellectual property. Outdated legislation is costly for Canadians. It restricts innovation and creativity in developing new products and industrial processes.

It is difficult to amend legislation as complex and sensitive as the provisions on intellectual property. Over the years attempts to do so have caused considerable controversy. That is why we are delighted with the way all concerned have co-operated in getting this bill back to the House for third reading this afternoon.

The bill was the subject of a very useful analysis in committee, and I had the privilege of sitting on the legislative committee in question. The bill was amended to reflect proposals made by members of all parties here in the House of Commons. Most of the provisions of the bill remained unchanged.

The Patent Act will be amended to permit the deposit of a sample of biological material with a patent application. Further amendments will allow for electronic filing of documents and correcting a number of technical problems.

As a result of amendments that will be made to the Trade-marks Act, the requirement to record licensees as registered users will be abolished.

Administrative amendments to the Copyright Act will improve the operation and administration of the copyright office.

According to the Industrial Design Act, the validity of a registration will no longer be affected if the registration was filed in the wrong name.

These are only a few of the amendments the bill contains. It makes sense to deal with such technical and administrative details in one comprehensive and flexible bill.

Those who work in the field of intellectual property view many of the amendments proposed here this afternoon as critically urgent. We have the support of those who will be affected by this bill as well. Among other things, we benefitted from the expert advice of the intellectual property advisory committee.

• (1545)

What will be the effect of these amendments? The bill will reduce fees for users of intellectual property by eliminating a number of technical obstacles. It will promote a more efficient administration of the five acts governing this field. Bill S-17 clarifies the wording of certain sections of our legislation on intellectual property. It also simplifies some regulatory procedures. It allows the implementation of technological changes but, more importantly, it promotes a better use of intellectual property in Canada by making it more accessible.

These changes do not aim at replacing the in depth review of Canadian laws on intellectual property. The government modernized and streamlined a good number of acts affected by these amendments, and it will continue to improve them. The measures in Bill S-17 are a necessary complement to the more important changes which have been made and which will continue to be made.

In the high-tech economy of the nineties, prosperity depends on creativity and innovation. Bill S-17, which eliminates the technical and administrative obstacles preventing us from being fully competitive at the international level, will benefit all Canadians.

[*English*]

This afternoon on third reading of Bill S-17 I am happy to be able to mention the importance of the collaboration the government has received with the Official Opposition and the New Democratic Party of Canada. As I mentioned earlier, I was honoured to be

able to sit on the legislative committee, an important committee. The good co-operation of all parties involved enabled us to proceed rapidly with these changes so essential for Bill S-17.

[*Translation*]

I urge all members of this House to support Bill S-17 and pass it as soon as possible.

[*English*]

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, as we get to final reading on this particular bill, it is important to review a little bit of process.

As my hon. colleague who sat on the committee and sits on the consumer and corporate affairs committee with me rightly indicated, this bill is most aptly described as a bill that is corrective surgery. It seeks to try to make a number of amendments to a number of acts dealing with intellectual property. Indeed five acts are covered by this particular bill. This bill was initiated in the Senate which although is within our rules of procedure does not happen very often.

The bill amends the Copyright Act, the Industrial Design Act, the Integrated Circuit Topography Act, the Patent Act and the Trade-marks Act. Most of the amendments that have been put forward in this bill are of a housekeeping nature. Most of the amendments seek to streamline some of the regulatory mechanisms within those various agencies that administer these acts to try to ensure that there is some continuity of regulation in how intellectual property is dealt with in Canada.

When we started debate on this bill after it came over from the other place, the government indicated it wanted the bill passed very quickly. We on this side of the House said that we had read the bill and had looked at the debate that had taken place. We did not see that there was anything so special in the bill that it should not have the scrutiny of a committee.

The reason we did that was not because we thought there was anything terribly contentious in it, but because as a matter of practice we believed it was important, no matter how minor or how unanimous the consent on certain aspects of legislation, that the process be followed through in order to ensure that any individual who wished to provide input had the ability to do so.

• (1550)

I am not going to repeat the very good overview my hon. colleague gave on the various amendments and how they affected those particular five acts that had been alluded to. However, one of the concerns we on this side had was on this new direction that seems to have been forged in the last few years where parliamentarians give far too much of their authority to legislate and the responsibility to review legislation to the Governor in Council.

In short, what happens in many cases is rather than get a lot of the cumbersome matters for full and thorough debate on the floor of the House of Commons, the government simply delegates the responsibility to the executive branch through Governor in Council.

My colleague from Glengarry—Prescott—Russell and I indicated at the time that we wanted to ensure when this bill went forward that we had the benefit of listening to the officials. We wanted to find out what was the full and total impact of a lot of this regulation-making authority that this bill seemed to be taking out of the hands of parliamentarians and giving to the Governor in Council.

Indeed, during the committee hearings most of my fears were put to rest. Most of what is being done is not so onerous that we should be concerned, even though there are one or two little clauses in the bill that allow the Governor in Council to set or prescribe fees. That always gives us some concern over here. On far too many occasions we have seen the bunch opposite take the opportunity of making a little tax big. That way they can fill their coffers with additional revenues. That being said and done, we believe the bill is worth supporting.

It is interesting to note the different way that this bill came about. The bill came about after a fairly rigorous examination of the five acts by a special committee. That special committee was made up of various stakeholders in intellectual property that would be covered by the five acts. Before this bill came forward there was a tremendous level of consultation. Indeed, many other aspects of standardization and harmonization of intellectual property regulation were on the table. However, the advisory committee did not believe there was enough consensus to go forward with those, so it did not. Therefore, there

are still a lot of issues that have to be debated and dealt with.

One of the acts that has been amended is the Patent Act. It is interesting to note that the government in this case sought the advice of an advisory committee before it went forward. A very high degree of consensus was required before it came forward with the bill. However, in November and December of this year when we last did amendments to the Patent Act, this government believed it was not important to consult or to go through any advisory committee. It was simply going to succumb to the pressures of the multinational drug companies and the U.S. trade negotiators during the Reagan–Bush era to basically cash in the rights of Canadians to have access to generic drugs, lower cost prescriptions and to have some competition in the work place.

The reason I raise this point is that it is interesting that within three months the government seems to have done two things. First, when dealing with patent acts and patent law it came into the House with a bill that was universally panned by provincial health care ministers, by private insurers and by the health care industry in general. Anybody who knew anything about the health care system and pharmaceuticals in Canada said that that was a horrendous bill. Last fall they said that those changes to the Patent Act could well cost the Canadian health care system anywhere from $7 billion to $12 billion, that it would drive up the cost of prescription drugs.

Did the government consult these people? No, it did not. That is something we have to look at. The government did not consult at that point in time. As a matter of fact the government was so hell–bent to get that piece of legislation through it imposed closure every step of the way in the House of Commons.

The people and their representatives, the people who sit on all sides of this House who are responsible to the Canadian public, were not allowed to have a full airing. When it was sent to committee, it is interesting how differently that Patent Act change was dealt with from this one. The government sent it to committee with a loaded gun at the temples of a lot of the opposition members. We were told before we heard one single individual say one single thing about those changes to the Patent Act that we were allowed to have eight or ten hours of committee hearings. If we did not like it, the government would shut it down using the big, blunt instrument of closure.

• (1555)

Those amendments to the Patent Act had the potential to devastate our health care system in Canada. We know they will cause higher drug costs. We even had a report a few weeks ago from the government's own Patented Medicine Prices Review Board. INCO is a very large important industry in Ontario. We found out today that its health care costs are going through the roof primarily because of rising drug costs. It would have been nice if the government had decided consultation was as important as what it obviously deemed it was for these technical changes when it set about making those fundamental changes to the Patent Act back in the fall.

In conclusion we on this side will support this initiative. The bill itself will do a lot to tidy up many of the regulations in place. However, we implore the government to be consistent. When it feels technical regulations have to be changed it has to consult with the stakeholders in the industry.

Surely to goodness when it goes into things like the Patent Act to change patent protection and kill the generic industry in Canada it should not use a back door approach to consultation saying: "We will tell you once we make up our mind". It should have done the same thing. It should have slowed the process down and brought in the health care ministers the users, the private insurers to what the impact of those changes would be, just like it did when it was dealing with technical amendments to these bills, but in particular the Patent Act.

The Liberal Party and I support not only the clauses in this bill, but we also support the process which brought it about, the process of consultation, a process that we see used far too seldom by this government in this Parliament.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, again it is my honour and privilege to raise certain issues dealing with this bill before us.

I will start by saying that I support Bill S–17 which originated in the other place. The speed of its passage up to now in the House of Commons has been remarkable. If the passage of other bills were as quick as this we would certainly have a bit more faith in this place. This bill was dealt with very quickly. It is essentially non–controversial and is one which has as its chief impact, I

would say, a housekeeping purpose. It does that very well.

This bill amends five pieces of intellectual property legislation: the Patent Act, the Trade-marks Act, the Industrial Design Act, the Copyright Act and—hold on to your boots for this one, because it is not that easy to understand—the Integrated Circuit Topography Act. For all of us who are computer buffs what that means is that it is essentially dealing with computer circuits and software. Someone actually putting that software on the market has the right to expect a certain amount of protection.

This is a kind of technological *nouveauté*, it is new. We have been behind in this type of patent protection for many years and now we are trying to step on board and protect makers of all kinds of computer circuits and software. Generally it is house cleaning and it is very good house cleaning at that.

The bill in general sets forth different administrative practices and procedures so that Canada can come into the 21st century on the same wavelength as other countries as far as patent protection is concerned. This bill provides for a quid pro quo, reciprocity between countries as far as patent protection is concerned.

The five different intellectual property acts I was mentioning earlier are all related. Collectively they provide framework legislation that governs innovative activities of Canadian industry and research organizations and businesses.

• (1600)

The bill is very technical. It is very difficult for people who are not in the patent protection business or industry to really understand at first glance. Even the French translation sends one to *Le Petit Robert* on many occasions. It is very interesting. Some of the words actually look like they have just come on the scene for the first time.

It is interesting to note that the impetus for this particular bill comes from the private sector. We as parliamentarians have been asked by the private sector to give it the guidelines and the protections it seeks in order to know on which foot to dance in the realm of patent protection.

I would say that the amendments to the intellectual property patent system have been a long time in coming. They have come about through a consultative process that has been most exhaustive. Several dozen private, public and quasi-public organizations and government organizations have been consulted. The fact that the bill is non-controversial right now shows the value of broad consultation before starting to put things on paper. At least before starting to translate things into both official languages people should generally agree on the terms and definitions. That is why I think this bill is moving along so rapidly. Once again, it is a bill that receives wide political support.

Bill S-17 will encourage more accessible and effective use of intellectual property in Canada without a doubt. It will contribute to efficiencies in government and hopefully reduce costs to intellectual property users by eliminating a number of technical problems and improving the administration of the various acts.

Some of the amendments proposed in the bill will correct some serious technical problems with respect to a patent on a particular seed that has been developed. We are into bioengineering now, and when we try to describe what the seed does, what is different and why there should be a patent on it, it is very difficult.

The bill allows the giving to the government of the biological specimen and for others to examine and analyse it, in addition to describing what it does, what is different and how it came about. It removes one of the problems we had in the past in a Supreme Court decision where under the law as it existed prior to this bill coming into force, or as the law now stands actually, there had to be full disclosure as there always was. In addition to disclosure of what it does and a written description, the biological specimen could not be put as a deposit to meet the requirements of the Patent Act that way.

If this law is passed it will give researchers and people who want to look into the whole patent field in biological engineering several pathways with which they can check the patent they are looking forward to obtaining or how their product differs from a particular biological product, whether it is a seed or any other biological product.

I would like to make clear however that we are not talking about patenting life forms or new life forms. We are not going to have a particular cow that is going to be the property of Merck drugs, for example, which farmers

will have to buy if they want the particular cow. We are not going to have life forms patented. On the question of limited specific senses of bioengineering we are going to have a certain amount of latitude where researchers can patent their discoveries, but it will be very limited.

• (1605)

In reading what the government has already said, before we get into life forms and patenting life forms in a general sense we are going to have very exhaustive debate because there we are dealing with a very serious issue.

If there is a better seed developed which is similar to what has been developed in the past but is one that has specific properties then a company can withhold permission for this particular seed, and the properties of the seed, which may be able to feed the entire population of one country in terms of the way it does its cultivating. Then we have a serious problem. This country would perhaps have to pay some very high royalties in order to obtain something which it should be able to have if not for free then for very little extra money.

We have to discuss very carefully this question of patenting life forms. That is why I welcome the fact that the government is looking at it very carefully before it proceeds in a legislative sense.

I would like to mention the Copyright Act, as it is the main piece of intellectual property legislation which permits the deposit of biological specimens or products. Under the Copyright Act there is another problem and that concerns the fixing of fees.

One of the problems with the government's Patent Act and other acts we have had prior to the Patent Act is that when the government fixes fees, whether it is for a patent application or a patent that is actually given to a particular company or researcher, it uses these fees as a system of taxation and they become very onerous. They actually become very self-defeating. In many cases they are much more than they should be because of the government's desperate desire to raise revenue.

It is funny that I am saying that today on budget day. In an hour we are going to see how the government is going to increase other fees.

On the question of the Patent Act and the intellectual property pieces of legislation which are involved in Bill S-17, we are allowing the government to fix the fees whether or not they happen to be in keeping with inflation without coming back here to Parliament. The court cases we have seen in the past show that the government cannot fix fees far in excess of what the normal cost of the administration of the act is.

That is the job of Parliament. If we are going to tax people we should tax them and say this is a tax. We have to vote as representatives of the people and say that we believe we have to increase taxes by 5 per cent, 6 per cent or 7 per cent, and then we as representatives go back to our ridings and are judged by what we have done.

We cannot do it in a back-door way by letting the government establish a back-door mechanism for increasing fees and levying fees that may or may not be suitable or may be in excess of what it really takes in order to administer the act.

Probably the most serious caveat I have with regard to Bill S-17 is the fact that it gives this power to the government that I do not think it should have. When this legislation comes to the committee on statutes and regulations it may run into trouble for precisely that point.

Other parts of this bill deal with house cleaning. For example, clause 4 of the Copyright Act eliminates the requirement that entries in the copyright register be personally signed by the Registrar of Copyright or the Commissioner of Patents. That is a sound idea.

I have already mentioned clause 8 of this bill, which I disagree with, which would give the Governor in Council the power to make regulations and prescribe fees to be paid to the copyright office for anything required or authorized to be done in the administration of the Copyright Act. That is giving a little too much authority and that concerns me.

• (1610)

In general, if we look at the efficiencies that are gained and if we look at the fact that from now on people wishing to have applications filed and treated by the patent granting authorities of the government—and I should say that we certainly do need efficiency because there is a huge backlog. I understand there are thousands upon thousands of applications pending. Part of

this legislation will allow the electronic filing of these applications, which will increase the efficiency as well.

It is important to note that although there is a serious reservation concerning the question of fees this is a piece of legislation on which we feel that the New Democratic Party, and we are happy to see that the Liberals are also on board on this, can agree with the government that it is something that is long overdue.

I hope the government will take note of this because this is not a rare occasion in which all parties say they agree with a bill, with a certain legislation. We hear constantly from the government that the opposition is always in opposition and never says that the government does anything right. It is against the law of averages that this government could do everything wrong. Now and then it is going to stumble upon something which needs doing and which is done right. This is one of those rare occasions.

I wish the government would learn the lesson from this piece of legislation and in the future have a great deal more pre-consultative exercises in which it meets with the actual people concerned with the legislation.

Mr. Lewis: It is inclusive.

Mr. Edmonston: One of my friends, the hon. minister, talks about inclusiveness. Perhaps the word is inclusiveness but I think it is just consultation. We need to talk to the people of this country, not at the people of this country. We need to make sure that what we are doing here is absolutely necessary and improves the situation. I think this does.

I am proud to be a member of this Parliament in which we can all agree upon something. I hope that in the future we will see other pieces of legislation that allow us to do the same thing.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

[*Translation*]

SUSPENSION OF SITTING

The Acting Speaker (Mr. DeBlois): In accordance with the agreement reached earlier today, I now suspend the sitting of the House until 4.30 p.m.

The sitting of the House was suspended at 4.14 p.m.

SITTING RESUMED

The House resumed at 4.33 p.m.

Mr. Speaker: Pursuant to Standing Order 83(2), the House will now deal with Ways and Means Motion No. 30 which derives from the financial statement.

* * *

• (1635)

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Don Mazankowski (Minister of Finance) moved:

That this House approves in general the budgetary policy of the government.

He said: Mr. Speaker, at the outset I would like to take this opportunity to express my sincere appreciation to the thousands of Canadians who have communicated with me in the preparation of this budget. I would also like to thank the many who participated in the pre-budget consultation process and all those who gave me the benefit of their thoughts, ideas and suggestions in the preparation of the budget.

I also want to say thank you to my colleagues on this side of the House, and indeed to all members of the House of Commons who have from time to time offered suggestions, sometimes in the crossfire of debate. Excellent suggestions have come from the House and from my cabinet colleagues. I want to thank them very much for their support. Most of all I want to thank the Prime Minister for his constant support and guidance and particularly for the confidence that he has expressed in me in discharging this very important position. I want to thank him very much for his ongoing support, advice and good counsel. I hope that it has been put to good use in this particular budget.

Today I am presenting a budget that will deliver: no new taxes; no tax increases; more than $30 billion in spending cuts and other measures; zero real growth for federal spending on programs and services; the lowest federal program spending as a share of the economy in more than 30 years; the elimination of all new federal borrowing within five years and a strong, positive initiative for a co-operative national attack on all government debt.

Since my hon. friends across the way did not get it all let me repeat it in French.

[*Translation*]

Speaker. No new taxes and no tax increases. More than $30 billion in spending cuts. Zero real growth for federal spending on programs and services. The lowest federal program spending in 30 years. The elimination of all new federal borrowing within five years and a federal-provincial attack on the public debt.

[*English*]

The goal of this budget is to free the economy for more job creating growth by steadily reducing the burden of deficits and debt. Today I will also outline a process to bring federal and provincial governments together to work toward that goal.

There is only one taxpayer. Canadians want a national solution to the national debt problem and they want their governments to act now.

• (1640)

This budget sets out a responsible, achievable course of action. It builds upon the actions in previous federal budgets but recognizes that a problem that began two decades ago cannot disappear overnight.

It also underlines that by working together as governments and as Canadians we can make an immediate and fundamental change for the better in the prospects of our economy, our country and our people.

This budget is presented at a time of unprecedented concern about the collective spending and borrowing habits of our governments. Canadians are justified in their concerns. They know that a household cannot keep running up credit card bills and borrowing to pay interest. They have seen what happens when governments act as if they are exempt from the same basic rules of common sense.

Here is what happens: Taxpayers pay more and more for less and less service from government because interest eats up a growing share of the tax dollar. Those higher taxes act as a break on the economy. Less economic activity means less growth and fewer jobs.

Home owners pay higher mortgage rates because government borrowing drives up the price of money. Higher interest rates discourage investors and consumers and that too means less growth and fewer jobs.

Finally, in an effort to maintain a standard of living that we no longer earn, we rely more and more on foreign lenders. This leaves Canada with less and less control of its own economic future and the income that we do earn goes increasingly to pay interest to foreigners.

Canadians want to keep control of their future. They want their governments to have the means to maintain vital social support services and the flexibility to respond to emerging priorities. Less borrowing, lower taxes, more jobs and more choice: that is the direction in which people want to go. That is the direction in which this government is going.

This government has been and is fully committed to helping Canadians build a stronger economy that creates jobs and that can adapt, compete and prosper in a new more competitive and rapidly changing global economy.

That is why we have continued to move forward on policies such as bold trade initiatives to secure and expand access to markets; innovative job training measures to help Canadians adapt to a changing work place; tax reforms to increase incentives for work, investment and prosperity and regulatory reform and privatization to reduce the burden of government and improve efficiency.

Most of all, we must and will continue with our firm, responsible spending control policies. That is of fundamental importance as we set forth on this debate. Since 1984-85 we have made real progress in a changing, uncertain world economy. We have cut the average annual growth of federal program spending from 13.8 per cent to 14.1 per cent. We have cut the federal deficit from 8.7 per cent to 5.1 per cent as a proportion of our national income.

We have turned an operating deficit into an operating surplus. This means the government now spends less on programs and services than it raises in revenues and has done so for the last six years.

Over the past few years, a persistent and painful global economic slowdown has repeatedly forced governments, businesses and households in Canada and indeed around the world to adjust their plans for the future. This has hastened the basic restructuring of our economy in response to global economic change.

To help Canadians cope with the economic downturn and adapt to global competition, we took firm action in the February 1992 budget and the December statement.

We cut personal income taxes. We enriched and restructured the child benefit system to help families with low or moderate incomes. This is injecting $1.7 billion into the economy this year alone.

We introduced the Home Buyer's Plan to help Canadians buy or build homes using funds from their RRSPs. More than $1.4 billion of these funds have been invested in homes by 148,000 Canadians.

We increased our already substantial support for small businesses, the prime source of new job creation in Canada. They are now creating more new jobs.

We substantially improved access for small business to financing by overhauling the Small Businesses Loans Act. Indications are that banks will lend more than an additional $1 billion to small businesses this year.

• (1645)

We increased to $3.8 billion our investment in Canada's most important resource, the knowledge and skills of its people. This will benefit more than one million Canadians this year alone.

We announced major new strategic capital investments in Canada's national transportation and communication networks. A start is now being made on infrastructure projects creating 15,000 person-years of employment with an additional 15,000 to come from further projects to be announced in the weeks and months ahead.

We provided tax relief for manufacturers and since August manufacturing shipments have grown at an annual rate of almost 15 per cent. In February unfilled orders increased 5 per cent, the largest increase in almost five years.

These measures are being funded out of savings from last year's budget and the December statement. They have been implemented and they are working. The bottom line is jobs; 200,000 full-time jobs created since last August.

In December, following on the Prosperity Initiative, we set aside an additional $400 million over five years for further tax changes in three areas which are important to economic growth and job creation.

Today I am proposing tax changes to improve the treatment of rapidly depreciating new equipment; strengthen the ability of Canadian firms to access new technologies and improve the effectiveness of incentives, particularly for small innovative companies. The details of this initiative are contained in the supplementary information which I will be tabling.

In response to representations on the equity capital needs of smaller knowledge-based firms, we will also explore ways to develop mechanisms to encourage investors to support local companies and at the same time lend their expertise to help the companies succeed.

In 1992 we broadened and deepened the Expenditure Control Plan which was introduced in the 1990 budget. We did not increase taxes for Canadians, but we did cut departmental operating budgets. We cut cabinet ministers' salaries and froze salaries for MPs and all public servants. We reduced grants and subsidies to most organizations by 10 per cent and we streamlined government by eliminating or restructuring agencies, commissions and boards. We also took action to control unemployment insurance costs.

We have delivered. Program spending in 1992-93 is on target with the December forecast and $500 million below the target in last year's budget.

As we all know, during 1992 the world economy grew more slowly than expected. The result for Canada was lower than expected growth, lower revenues and higher deficits. For 1992-93 revenues were more than $9 billion lower than forecast in February 1992. Regrettably these lower than expected revenues have brought the deficit for 1992-93 to $35.5 billion, $1.1 billion higher than forecast in December. I am disappointed by this setback and share the concern expressed by the moans of the

members opposite. We must take action and we are taking action.

We are taking corrective action to keep the 1993–94 deficit on target at $32.6 billion and we are tackling the medium–term deficit challenge with aggressive new action. I hope I have the support of hon. members across the way.

This budget sets out a five–year plan to eliminate new borrowing by further cutting back spending and by making government leaner and more efficient. The key to the plan is this: Federal government program expenditures will be held to zero real growth, that is growth no greater than inflation.

The measures in this budget extend and reinforce the actions in the December statement. They will yield combined savings of $3.8 billion in 1993–94, rising to $7.9 billion in 1997–98. All told, these measures will save $30.7 billion over the five–year period.

I want to emphasize again there are no tax increases in this budget. We believe that there are only two ways to reduce the deficit: higher revenues and lower spending. The right way to get the deficit down is by cutting spending. The right way to get revenues up is to encourage more economic growth and we cannot do that by raising taxes.

• (1650)

The first priority in reducing spending cuts is to cut the operating costs of government. Since 1984–85 these costs have been tightly and repeatedly restrained. As a result, operating costs have declined to just under 15 per cent of total program spending in 1991–92. The real cost of delivering programs has been cut by a full 14 per cent.

To further reduce the cost of government, I am announcing the following actions:

Departmental operating budgets, including reserves for contingencies and new initiatives, will be cut by an additional $300 million in both 1993–94 and 1994–95, rising to $1.2 billion in 1997–98. Including the wage freeze and the operating budget reductions in the December statement, the reduction by 1997–98 will amount to 10 per cent. Total savings will be $7.5 billion over the five–year period.

These are significant cuts. They will force increases in productivity but will also result in reduced service levels and the closure of offices and points of service. To improve efficiency while cutting costs, the federal government will have to employ fewer people. These are very challenging and difficult circumstances, but clearly it is in this area that we must extract greater efficiencies.

Defence spending will be frozen in real terms beginning in 1994–95. Together with the actions taken in December, this will generate savings of $361 million in 1993–94, rising to $2 billion in 1997–98, for a total of $5.9 billion over the five–year period.

Funding for the research councils will be held to 1.5 per cent annual growth rate after 1994–95.

The same constraint of 1.5 per cent annual growth will be placed on government spending on international assistance. Canada's efforts in this area will continue to compare favourably with those of other major industrial countries.

Most of the grants and contributions already reduced by 10 per cent this year and next will be reduced by 15 per cent in 1995–96 and 20 per cent thereafter. This measure underlines the need for greater self–reliance on the part of advocacy groups and other private sector organizations.

We must also ensure that we obtain maximum value for the money we spend by reducing economic distortions and ensuring that we meet the global competitive challenge. Working closely with the affected parties, the government has begun a process of reform in the area of western grain transportation; and it intends to pursue reform in the application of Atlantic freight subsidies and in the dairy industry. To facilitate reform, the government is prepared to direct back to these sectors savings from the deepening of the cuts in grants and contributions.

In the December 1992 statement, funding for regional development was reduced by 10 per cent for both 1993–94 and 1994–95. This reduction is now being extended. In addition, this funding will be reduced by a further $90 million in 1993–94, rising to $100 million per year beginning in 1994–95. Over time there will be a shift from grants to repayable contributions. This will provide a pool of funds for new regional development projects and reduce the need for government financing. By 1997–98, the yield from the repayment of contributions will amount to at least $100 million per year, and that

will be available for projects for funding in all regions of Canada.

In addition, the government will not renew economic and regional development agreements in both forestry and mining as they expire over the next few years. We will also review the future of ERDA agreements in other sectoral areas.

With respect to major Crown corporations, operating subsidies will be reduced by $50 million in 1995–96 and by $100 million per year thereafter for both the Canadian Broadcasting Corporation and VIA Rail Canada.

As well, the unemployment insurance benefit rate will be extended at the current level.

With respect to social housing, the government, through the Canada Mortgage and Housing Corporation, will not increase its current support of about $2 billion a year for social housing. CMHC will no longer fund housing through 35-year subsidy commitments which impose most of the costs of today's housing support on future taxpayers. Funds to maintain existing housing in good repair, and scope for new commitments, will be found through increased efficiencies in program financing and delivery. CMHC's special purpose funding for shelters for victims of family violence, for housing on Indian reserves and for the integration of persons with disabilities will continue as planned.

• (1655)

There are two major areas representing about $50 billion in annual federal program spending, or about 40 per cent of the total, which have again been exempted from reductions.

Income security benefits for the elderly, programs specifically for the disabled, veterans' pensions and allowances, selected native programs, the Canadian Jobs Strategy and famine relief are all exempt from cuts in this budget.

Second, in recognition of the national nature of the fiscal problem, no additional restraint is being imposed on major federal transfers to provinces. These transfers will continue to grow at a rate greater than all other federal program spending.

Because the major federal transfers to provinces are expected to grow by 4 per cent over the next five years, provinces will receive about $9 billion more than they would have if these transfers were to be restrained to the same 1.5 per cent rate of growth as all other federal program spending. As an example, for a province like Newfoundland, allowing this higher growth rate in transfers means over $400 million more. That is almost twice the size of Newfoundland's deficit this year and it is equal to $700 for each Newfoundlander.

With respect to the Spending Control Act, as promised in the 1992 budget the government will act to reduce the control program spending limits under the Spending Control Act to reflect the impact of legislating the full funding of pensions and restructuring of the child benefit system.

In addition, the limits under the act will be further reduced by law to bring them into line with the low inflation environment and to ensure a permanent lowering of government spending. The new lower limits will also be extended to the end of 1997–98.

I turn now to the business of government operations and the need for streamlining. Like Canadian businesses, governments must reduce costs and operate more efficiently. The measures in this budget have been designed to encourage continued improvement.

To provide managers the flexibility to do their jobs and make more effective use of shrinking resources, the government will seek basic changes in the work force adjustment directive when it meets with the unions this summer for the scheduled triennial review.

The government will continue to streamline its operations and improve the cost effectiveness of its service delivery. We will make government smaller, simpler and more accessible to Canadians. Building on the streamlining actions in the 1992 budget, an additional 12 government organizations ranging from large departments to small agencies and advisory bodies are being eliminated or restructured.

We will complete the organizational merger of the two Departments of Taxation and Customs and Excise into a single new Department of National Revenue. This will provide for more effective administration of the tax system, including better use of resources to combat tobacco smuggling and to improve compliance generally. Efforts will be stepped up to ensure the taxes owing are paid and paid in a timely way.

Eight advisory and other bodies whose functions are no longer needed or can be carried out in another way will be eliminated. Two other advisory bodies, the National Advisory Council on Aging and the National Council on Welfare, will be merged.

With respect to privatization, since 1984 the government has privatized or dissolved 39 Crown enterprises and other holdings and improved operations for the remainder. The number of full-time Crown corporation employees has been reduced by nearly 90,000. Building on these initiatives, a number of organizations in various areas of government will be considered for privatization or commercialization. Details are in the supplementary information.

In the eyes of the business client, a bewildering array of federal, provincial, municipal and private sector services are being offered, leaving the impression of complexity, overlap, duplication and all-around inefficiency.

In response to these concerns I announced in the February 1992 budget several initiatives aimed at improving service. As part of this effort three pilot business centres have been established to provide a single point of contact for business services. They are now in operation in Edmonton, Winnipeg and Halifax. The government will be working with other levels of government to provide one of these centres in at least one major urban area in each province. The result will be better service for business and cost savings for governments. I am pleased to advise that at the present time there are current discussions under way with respect to the establishment of one in Vancouver, in Toronto and in Montreal.

• (1700)

The excessive regulatory burden has long been an obstacle to business and enterprise. In the 1992 budget the government launched a major review of regulatory programs. This initiative is well advanced. Preliminary analysis of more than 700 regulations suggests that one in four will be struck from the books. An equal number will be modified. These actions will result in substantial cost savings to the private sector and the government. My colleague, the President of the Treasury Board, will provide an update on the progress of this review later this week.

The federal government will encourage all governments to review regulatory programs with the goal of reducing overlap and duplication and ensuring maximum efficiency and benefit for all Canadians.

Reducing the compliance cost for taxpayers remains a high priority. On December 10, 1992 the government introduced a simplified system for calculating GST input tax credits. Since then we have continued to work with the small business community. We will be announcing improvements to the quick method of GST accounting which will simplify the tax for hundreds of thousands of small businesses.

Today I am also proposing measures to streamline government and improve cash management. The quarterly instalment income tax system will be modified. The result of this will provide for some 300,000 persons owing relatively small amounts of tax who will no longer have to make instalments. An additional 500,000 higher income taxpayers will now be required to pay on a quarterly basis. As well, beginning in 1994 the GST credit for individuals will be paid twice a year, in April and October, instead of quarterly. This will save $7.5 million in administration costs while delivering the same benefit to the recipient.

I turn now to the economic outlook for Canada. With the help of the measures I have described and the growing benefits of the government's wide range of economic renewal actions since 1984, the Canadian economy is improving and is poised for strong performance in the years ahead. For example, the OECD has forecast that Canada will have the strongest economic growth among the G-7 industrial countries this year and next.

In the past few months we have seen an encouraging pick-up in the pace of economic growth, employment, retail sales and a number of other key indicators. Strongest of all has been our export performance, currently the main force behind the recovery. Our export strength has been underpinned by the dramatic improvement in our cost competitiveness and our increased access to the U.S. market under the free trade agreement. Strong export performance will continue to help the recovery through 1993 and 1994.

I expect real growth to average close to 3 per cent for 1993 and to increase to more than 4.5 per cent in 1994 as

the recovery becomes more broadly based. Domestic demand will be spurred by low interest rates. I expect a strong rebound in both residential investment and business investment.

Job prospects will improve steadily. I expect employment to increase by about 300,000 from the fourth quarter of 1992 to the fourth quarter of this year and more than 400,000 during 1994. These gains will be accompanied by strong growth in labour productivity resulting from extensive restructuring and the structural policy reforms we have put in place. In the near term the unemployment rate will decline slowly because of an expected increase in the labour force participation rate, but employment will grow by 1.7 per cent in 1993 and by 3 per cent in 1994.

Inflation will remain low. I expect inflation to average 2.5 per cent in 1993 compared with 1.5 per cent in 1992, which reflects the recent depreciation in Canadian currency and some provincial indirect tax increases. I expect inflation to decline once again to below 2 per cent in 1994. This sustained low inflation will help keep interest rates low and I expect further declines in long-term rates.

For the period from 1995 to 1998 our fiscal projections are based on the following economic assumptions: economic growth at an average of 4.25 per cent; a decline in the unemployment rate to 7.5 per cent by 1998; inflation averaging 1.5 per cent; and interest rates remaining low.

I believe that these are indeed prudent assumptions. They project real economic output rising over the medium term but still remaining somewhat below the economy's full potential by 1998.

Indeed there are uncertainties to be faced, but I believe that Canadians can look forward to several years of solid growth in job creation in an environment favourable for confidence, investment and business expansion.

• (1705)

I turn now to the fiscal situation. The expenditure control measures in this budget will restore the fiscal balance of the federal government over the medium term. Federal program spending will be reduced to 13.9 per cent of Canada's national income in 1997-98. That is the lowest level in more than 30 years. Excluding transfers to provinces, program spending will grow at an average annual rate of only 1.5 per cent. That is below the projected average inflation rate.

The last time that program expenditures were held at or below this level of growth was in the early fifties, 40 years ago. Furthermore this low level has been achieved on only five different occasions since Confederation. This indeed is an historical breakthrough. It is an historical plan and it is a reasonable plan.

There will be substantial year-over-year reductions in the deficit. As a result, by 1997-98—it is really amazing when you start getting to them over there they start squirming—the government will end all new borrowing in domestic and foreign financial markets and will begin to reduce its publicly held debt.

Interest payments on the debt will be reduced from a peak of 36 cents for each dollar of revenue in 1990-91 to 26 cents in 1997-98. The deficit will be reduced to less than 1 per cent of national income, down from the current level of 5.1 per cent and 8.7 per cent in 1984-85. This is the lowest level in more than 25 years.

I say to you, Mr. Speaker, and I say to my colleagues across the way: Good fiscal policy is good economic policy and sustained fiscal progress is essential for sustained economic growth and job creation.

I now turn to the issue of the national challenge of dealing with the deficit and the debt. We all know that all governments in Canada face similar financial problems. It is worth repeating once again that there is only one taxpayer.

Decisive action is required now to protect our collective ability to make choices in the future, to preserve our social programs, to create jobs and to ensure a prosperous and competitive economy. For that is the ultimate challenge that we all share.

More than ever, Canadians want all governments to work together on the challenges confronting the Canadian economy and particularly on the national deficit and debt problem, for this is truly a Canadian problem.

I meet regularly with provincial and territorial finance ministers to review the state of the economy and the country's finances. These meetings have led to a greater understanding of the fiscal situation which each of us faces. We have worked together on the costs of government and expenditure management, a review of pressures on government spending and experience in addressing these pressures. It has underlined the need for a lasting

commitment to spending restraint by all levels of government.

I believe it is now time to go further. I note that a number of provincial premiers have emphasized the need for greater federal-provincial co-operation on practical solutions to Canada's fiscal problems. My conversations with provincial finance ministers have underlined this interest.

Consequently, I have invited my provincial and territorial colleagues to a special meeting in Ottawa on May 30 and 31 to begin working on a co-operative approach to the debt problem. I have spoken to each of the finance ministers personally.

• (1710)

The Prime Minister has written a letter to all the premiers supporting this initiative. Together we will discuss Canada's national debt and deficit problem and ways to develop practical approaches and practical solutions to the problem. This should be seen as a welcome initiative.

There are many possible areas for better co-operation: better sharing of information, ideas and experience; finding more efficient ways to deliver services to the public; eliminating wasteful overlap and duplication; improving harmonization; and collecting revenues more efficiently to reduce the compliance burden on Canadians.

In each and every one of these areas we can do better and I call upon all governments to join in this effort. I call upon all Canadians to support us in this very important effort.

In conclusion, Canadians want less government borrowing, lower taxes, more jobs and more choice for the future.

That is what this budget is all about. It charts a responsible, achievable course to increase the job-creating potential of our economy and to secure the financial health of government.

All governments and all taxpayers share that goal. But to achieve it will require national co-operation and sustained, concerted effort.

Canadians have faced some difficult times together. Time and again our people have pulled together to overcome adversity and build a stronger country.

Today as a country we face major economic and financial challenges. But let us remember that we are solidly on course for success. The signs of progress are growing: Canadian businesses are becoming more competitive and Canadian workers more productive; exports have surged and employment is rising again; inflation is near its lowest level in 30 years; and the deficit/debt problem is increasingly being addressed.

The foundation for growth, jobs, and prosperity in the newly emerging economy is being put into place. It is there to be strengthened and built on for the greater benefit of all Canadians.

Realism tells us that it will not be easy to win the battle against high deficits and rising debt. But experience does show us that Canadians have what it takes to succeed.

With discipline, courage, and co-operation, we can achieve success, the kind of success that will make Canada a stronger, more prosperous country for the balance of this decade and the new century to come.

Before I sit down I would like to table the appropriate budgetary documents for the House and for all members.

Some hon. members: Hear, hear.

Hon. Herb Gray (Windsor West): Mr. Speaker, this is nothing more than a stale, warmed over budget from a tired Conservative government whose members have run up a white flag in the face of this jobless recovery, surrendering 1.5 million unemployed Canadians to more years of despair and hopelessness.

This budget is a fairy tale when it comes to the debt and the deficit.

[*Translation*]

It is a fairy tale, like all other Tory budgets, when it comes to dealing with the deficit and the debt.

[*English*]

All the Conservative budgets have been fairy tales on this subject. This Conservative Minister of Finance and his predecessor were always wrong in their forecasts of what they would achieve in terms of the debt and the deficit. Why should we believe that this minister knows what he is talking about when he says Conservatives can deal with the deficit in five years?

That is what he and his predecessor have been saying every year for the past nine years. They have been wrong every time.

• (1715)

The government's own budget papers today say that at the end of five years the public debt will go up from $450 billion this year to $563 billion.

When it comes to the debt and the deficit this Conservative government is like a pyromaniac being asked to be left in charge of the fire department.

After the additional pain to Canadians spelled out in this budget, by the end of the next five years, 1997-98 the deficit will still be $8 billion.

Of the two main Conservative leadership candidates one said she would get rid of the deficit entirely in five years. The other one said he would get rid of the deficit entirely in four years.

Today when the Minister of Finance said that at the end of five years there would still be an $8 billion deficit he is saying in effect that these two candidates do not know what they are talking about. Or they are saying to him that the Minister of Finance is an incompetent.

By the way, the Conservative government has set a new record today. The budget papers say that after nine years of its government Canada's foreign indebtedness has reached a new record since the last record of foreign indebtedness.

Guess when that was? It was back in 1961 under the last long-term Conservative government when John Diefenbaker was Prime Minister.

The Prime Minister seems to doubt that. I ask him to look at the budget papers where that 1961 date is spelled out. If the Prime Minister does not agree with this then he is saying he does not think his Minister of Finance knows what he is talking about.

The Minister of Finance admits that Conservative policies will still mean 11 per cent unemployment this year and about the same next year. He says that at the end of five years jobs and the economy will still be below Canada's productive capacity.

What an admission of defeat and surrender. The Conservatives now and in the future are condemning 1.5 million Canadians to more years of misery and despair.

[*Translation*]

Nothing but despair for our youth, for a whole generation of Canadians.

[*English*]

Canada can and must do better but it will not come from this budget. This Conservative government's message of despair, defeat and surrender is not the plan for economic growth, jobs and progress that Canadians need.

Liberals have begun presenting such a plan. We have been talking about it and we will be talking more about it in the course of this budget debate and all around the country.

One thing that is missing in this budget is anything about the helicopters and the $5.8 billion for them. There is money for helicopters but the Conservative government is cutting hundreds of millions of dollars from the GST rebate cheques for poor Canadians. We have money for helicopters but not for poor Canadians.

I want to move:

That the debate be now adjourned.

Mr. Speaker: Pursuant to Standing Order 83(2) the motion is deemed adopted.

Consequently, pursuant to Standing Order 83(2), this House stands adjourned until tomorrow at ten o'clock a.m.

The House adjourned at 5.21 p.m.

HOUSE OF COMMONS

Tuesday, April 27, 1993

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 31 petitions.

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

* * *

[*English*]

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

NINTH REPORT OF STANDING COMMITTEE

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I have the honour to present, in both official languages, the ninth report of the Standing Committee on External Affairs and International Trade.

In accordance with Standing Order 108(2) the subcommittee on international trade of the Standing Committee on External Affairs and International Trade has examined the North American free trade agreement and wishes to report its findings to the House.

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

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Pierre Blais (Minister of Justice, Attorney General of Canada and Minister of State (Agriculture)) moved for leave to introduce Bill C–126, an act to amend the Criminal Code and the Young Offenders Act.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Blais moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

CANADA GRAIN ACT

MEASURE TO AMEND

Hon. Pierre Blais (for the Minister of Agriculture) moved for leave to introduce Bill C–127, an act to amend the Canada Grain Act.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Blais (for the Minister of Agriculture) moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

Routine Proceedings

• (1010)

[*English*]

GROSSE ÎLE HISTORIC SITE PROTECTION ACT

MEASURE TO ENACT

Mr. Mike Breaugh (Oshawa) moved for leave to introduce Bill C–423, an act to protect and enhance the historic site of Grosse Île.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Breaugh: Members may know that this has been the subject of hearings across Canada. Many people in the Irish community are very concerned, not that the Government of Canada will not develop this site but that it be done in a proper way, acknowledging the contribution and sacrifices made by Irish immigrants, particularly those who are buried on the site known as Grosse Île.

This strikes me as a reasonable way to proceed. Those who have some concerns on the matter will feel their concerns have been heard and protected and that this national historic site will remain forever a part of Canada, an ongoing monument to those Irish who died during the great famines.

The Acting Speaker (Mr. DeBlois): Mr. Breaugh moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

IMMIGRATION ACT

MEASURE TO AMEND

Mr. Dan Heap (Trinity—Spadina) moved for leave to introduce Bill C–424, an act to amend the Immigration Act.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Heap: Mr. Speaker, the purpose of this bill is to bring the Canadian Immigration Act up to date with current opinion in Canada and in the world but in which Canada may be a world leader.

In the past the immigration laws of the United Nations and of Canada reflected mainly the situation of men who were engaged in political activity or were religious leaders and were persecuted. Now it is becoming evident that women in some cases are persecuted because they are women.

This bill amends our Immigration Act so that it adds a sixth ground of recognized persecution. In addition to race, nationality, religion, membership in a particular group or political opinion, it would now read that a person may be found a refugee by reason of a well-founded fear of persecution for reasons of race, sex, religion, nationality, membership in a particular social group or political opinion.

The Acting Speaker (Mr. DeBlois): Mr. Heap moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

PETITIONS

VIOLENCE

Miss Deborah Grey (Beaver River): Mr. Speaker, I rise today pursuant to Standing Order 36 to present thousands and thousands of names on a petition signed by people not just in Calgary but across western Canada in memory of young Ryan Garrioch who was brutally murdered on a school playground last May in Calgary.

• (1015)

They are drawing the attention of Parliament to the following: that the majority of Canadians support equal treatment of criminal offenders but with legislated aid shelters from criminal law for very young adolescents and that chapter 15 of the charter of rights guarantees equality rights.

Therefore these thousands of petitioners—and there are more to come on behalf of this family who is mourning—are requesting that Parliament revise the laws of Canada to replace the Young Offenders Act with an updated Juvenile Delinquents Act with a lowered maximum age of 13 years.

PLANNED PARENTHOOD

Miss Deborah Grey (Beaver River): Mr. Speaker, I would also present, pursuant to Standing Order 36, a petition signed by several people in western Canada.

Planned Parenthood, a special interest group is seeking government funding for a project known as SIRCH, which stands for sexuality, information and a resource clearing house. These funds of course come from the taxpayers and the citizens of Canada. Such a clearing house including a national depository collection, centralized reference and resource service, and a national toll-free line already exist through the national education organization, Alliance for Life.

The petitioners pray that Parliament will find that SIRCH is an unnecessary duplication of services. The undersigned in this petition humbly call upon Parliament to withhold all financial support from Planned Parenthood and the SIRCH project.

[*Translation*]

UNIVERSAL HEALTH CARE

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, pursuant to Standing Order 36, I have the honour and privilege of presenting petitions on behalf of Canadian senior citizens who have lost a great deal of confidence in this government.

The petitioners call upon Parliament to take all necessary measures to entrench in the Constitution the obligation for the government to ensure publicly financed universal medical and health care systems.

[*English*]

I wonder if this government has the courage to take a step for our seniors.

HIGHWAYS

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, the petition I am presenting this morning has about 4,400 names on it. It was initiated by a group of college students in my riding.

It was started when one of their classmates was killed in a tragic traffic accident a few weeks ago. It is asking the government to arrange its priorities differently.

The student who lost her life was Deborah Utman. She was one of 24 people to die tragically in the past few years on that 40-kilometre stretch of highway leading from Highway 401 into the nation's capital.

Through this petition people living in the community served by this highway are asking this government to move on it and start a dialogue immediately with the Ontario provincial government for the completion of the highway into four lanes.

Of course the primary concern is the saving of lives. Of secondary importance would be the economic impact that the construction of that highway would have on the capital region and indeed all of eastern Ontario.

It is an honour to present this petition on behalf of my constituents.

HEALTH CARE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, older citizens of my community have deposited, according to the normal procedures of the House through Standing Order 36, the following resolution. They consider universal medical care a fundamental element of the Canadian identity. They indicate that recent budgetary costs have had a serious impact on their health and have undermined the principles of universality.

These petitioners, these older citizens who have paid and wish to continue to pay and to benefit, have asked the government to take all the necessary measures so that within the Constitution of Canada there will be this obligation by governments to assure to all citizens that hospital and health care remain a universal principle by the state.

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, it is my duty and pleasure, pursuant to Standing Order 36, to present a petition from over 100 residents of Toronto, York, Welland, Bond Head, Port Robinson, Kleinburg, Newmarket, Scarborough, Uxbridge, Sunderland, Willow Beach and Holland Landing.

These residents of Canada undersigned are concerned with the negotiations for a North American free trade agreement which they say will result and has already begun to result in even greater trade concessions being demanded of Canada, threatening even more good Canadian jobs.

• (1020)

It will also place restrictions on the ability of Canada's federal, provincial and territorial governments to assist industry to conserve Canadian natural resources for Canadians and to advance the social programs we need. The free trade agreement cannot be remedied through negotiation. The petitioners point out that there will be an election before January 1, 1994 when the free trade agreement is scheduled to come into force. Therefore they call on this House to reject the proposed North American free trade agreement and to recommend to the government that it use the termination clause to end the Canada–U.S. Free Trade Agreement.

VIOLENCE

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, pursuant to Standing Order 36 I have the privilege of presenting these petitions signed by not only my constituents but by people from all across the Toronto region.

The petitioners humbly pray and call upon Parliament to accept legislation designed to eliminate violence against women and children. They want to encourage and support women to report incidents of assault or abuse and provide relief and support to women as mothers to protect their children.

They want to emphasize the need for abuser rehabilitation and they want to concentrate special effort on the training of police, lawyers, court workers and judges to become knowledgeable about women and child abuse and to focus public attention on this very important and long ignored problem.

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the students from the University of Saskatchewan who reflect the views of students from across Canada have asked me to present this petition which I do with a great deal of pleasure.

The petitioners condemn the goods and services tax on books and reading materials. In their opinion, the goods and services tax on books and learning materials has harmed publishers, bookstores, libraries, students and writers.

They ask the government to review its policy and rescind it.

SOCIAL SCIENCES

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have another petition.

This is really the government's last chance because there will be a vote on this item today to delay the proposed merger of the Social Sciences and Humanities Research Council with the Canada Council.

These petitioners point out that Canada's most challenging problems are in the social sciences area. There are questions such as unemployment, poverty, et cetera. Without a vital Social Sciences and Humanities Research Council we could and will be at a disadvantage. Again, they ask the government to defer its decision.

[*Translation*]

I think this is a very reasonable request.

[*English*]

GORE BAY—MANITOULIN AIRPORT

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition signed by some 175 constituents of mine from Manitoulin Island. They are from such places like Gore Bay, Ice Lake, Mindemoya, Little Current, Spring Bay and Providence Bay.

These petitioners are calling on the government to maintain the manned weather station at the Gore Bay–Manitoulin airport. They point out that this has implications for safety at the airport. The staff at the weather station not only operate the weather station but they are also involved in areas of the operation of the airport itself relating to security, fuel sales, radio operation, scheduling of air flights, air ambulance, search and rescue, runway and beacon lighting.

We are not only dealing with five permanent jobs but also the operation of the airport and the long–term viability of that community as regards transportation and tourism.

These constituents of mine call on the government to retain and maintain the staffed weather station at the Gore Bay–Manitoulin airport.

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition on behalf of a number of residents of Kamloops, British Columbia who point out their disappointment that the government used a form of

closure to limit the debate on the North America free trade agreement to less than five hours at the second reading stage. That is where we discuss the legislation in principle.

They point out that water is not an area of exclusion within the North American free trade agreement. They point out that raw logs are exempt, that unprocessed fish on the east coast of Canada are specifically made exempt but water is not.

• (1025)

The petitioners point out that at the moment there is a project where the backers intend to divert part of the North Thompson River and eventually sell that water in southern California. They are very concerned in terms of the ecological impact of this type of water diversion plan. They are asking that the Canadian government make water an exclusion from the free trade agreement so that our Canadian rivers and lakes will be saved for future generations here in Canada.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Monday, April 26, consideration of the motion of Mr. Mazankowski that this House approves in general the budgetary policy of the government.

Hon. Herb Gray (Windsor West): Mr. Speaker, when I moved the adjournment of the budget debate yesterday I described this budget as a white flag being raised by all the members of a tired Conservative government in

surrender to a jobless recovery, a jobless economy. Perhaps I should have called the budget this government's shroud because this is surely the last will and testament of a dying government.

In this budget there is nothing for the unemployed, nothing for our young people entering the labour force hoping for a future. In fact the Minister of Finance is projecting unemployment at or near to 11 per cent well into 1994, a message of despair for the 1.5 unemployed Canadians and their families.

On page 21 of the budget papers themselves the Minister of Finance admits that unemployment will be high right through 1998, five years from now. Here is what the budget papers say:

> The medium-term projection underlying the fiscal plan is based on the assumption that some excess capacity in labour and product markets will remain through 1998.

Underneath this convoluted Department of Finance language the meaning is clear. There still will not be enough jobs five years from now for Canadians if this Conservative government stays in office, but I am sure this is not something Canadians will allow to happen.

Before he brought down his budget the Minister of Finance in effect admitted that putting Canadians back to work would not be his primary focus. He claimed that the deficit was his number one economic enemy.

Canadians are going to think that sounds rather strange coming from this Conservative government. Is this not the same government that said when it was first elected in 1984 that the deficit would be its priority? Is this not the same Conservative government that for the last nine years brought in deficit after deficit all in the $30 billion area? Is this not the same government that over these same nine years piled up more public debt than all previous governments since Confederation? I think so, Mr. Speaker, because there was an accumulated debt of $168 billion approximately by 1984, accumulated in the 117 years since Confederation. However, in only nine years of Conservative government, of Conservative fiscal mismanagement, that debt ballooned to $458 billion. Yet the Conservatives are the people who say they know how to run this country's affairs.

An hon. member: What a laugh.

Mr. Gray (Windsor West): What a laugh, someone said. Canadians have tragically learned that is not the case.

Even after bragging last week about how his budget was going to fight the deficit, the minister when presenting his budget papers was still forecasting in them that the deficit would be $35.5 billion this year.

• (1030)

Even after five more years under his so–called deficit reduction plan the minister says there would still be a deficit left of $8 billion. Over that same period he plans, the Conservatives plan, to add over $100 billion more to the public debt bringing it to $563.2 billion by 1998.

Under this Conservative government more and more of Canada's debt is held by foreigners leaving us increasingly vulnerable to outside pressures. The government knows this. On page 26 of the budget the Minister of Finance admits that Canada's foreign indebtedness has not been as high since 1961. As I said last night, that was during the last period of long–term Conservative government when the Prime Minister was the Right Hon. John Diefenbaker.

When I pointed that out yesterday our present Conservative Prime Minister doubted this could be so, but here it is in black and white, right here in the Conservative budget and budget papers. This Conservative government and the present Prime Minister have beaten the record of the last Conservative government to the detriment of the Canadian people.

In fact the deficit for 1992–93 is $8 billion higher than this Minister of Finance said it would be in his February 1992 budget and $1.1 billion higher than he said it would be only last December in his economic statement. These guys really know how to forecast. Is that sound fiscal management? I do not think so and Canadians will not think so either.

I am sure that no Conservative members will be as disappointed with this Conservative deficit non–plan than the Minister of National Defence who said she could eliminate the deficit entirely in five years and the Minister of the Environment who then upped the ante saying that he could do it in only four years.

How are these ministers going to reconcile their leadership campaign promises with the Minister of Finance's budget? Will they vote against it because it does not meet these leadership promises? Or will they vote for it and acknowledge when it comes to fiscal realism they do not know what they are talking about? After all that is what the Minister of Finance in effect said himself about these two colleagues when he forecast yesterday a budget deficit of $8 billion, not zero but $8 billion five years from now.

If this budget is not believable when it comes to deficit control, exactly what does it do? Well it certainly does not set priorities. The Minister of Finance who wants to be known as "Maz the Knife" has said he is four square behind spending $5.8 billion on unneeded high–tech military helicopters which were planned for during a cold war that fortunately ended years ago.

His plan and the Conservative government's commitment is to spend this $5.8 billion at a time when in this budget the government is cutting funds for social housing, for low–income housing, for regional development and is even taking away the January GST rebate cheques from lower income Canadians.

Why is it that after all the talk, the hype, the sales pitches, the Conservatives have failed by their own admission to meet their own objective and bring the deficit under control? It is because they just do not get it. They fail to recognize that meaningful deficit reduction can only be expected when there is strong economic growth and strong increasing employment.

The Minister of Finance and the Conservatives admitted in the budget that government revenues have been weak and would continue to be weak for years under their projections. Why is this? It is because of a continuing weak economy and slow economic growth. The Tories have failed to realize that the deficit, employment, economic growth, inflation and taxation are all interrelated. What is required is a set of co–ordinated and balanced economic policies.

• (1035)

This is exactly what the Conservatives have not given Canadians over the past nine years. There is no doubt the deficit is a problem that must be dealt with. However, any fiscally responsible economic strategy must have two tracks. This is the Liberal approach, the Liberal plan.

The first track involves expenditure control through streamlining government and eliminating duplication while delivering the services that Canadians need. This

must take place, we believe, in consultation and not in conflict with the provinces. In addition, the federal government must hold off on new programs that do not contribute to economic growth and job creation.

On the second track at the same time governments must foster economic growth and job creation. This means investing in people, research and development and infrastructure. When people are working it means higher government revenues without their having to pay higher taxes. At the same time governments do not have to spend on unemployment insurance and welfare.

Studies have confirmed that the one million Canadians who are unemployed cost the federal government more than $20 billion, likely $25 billion each and every year they remain out of work. If one million Canadians could be put back to work, it would free up $25 billion which could be directed to other productive purposes. This means these people would be put back to work. That is something for which the Conservatives have no plan. It is something for which the Conservatives have no commitment.

People often ask what government spending we Liberals would like to cut. By way of example, I have already mentioned the $5.8 billion military helicopter program. That is one area. I would also like to see a substantial cut in the $19 billion the government spends on unemployment insurance, not by cutting benefits but by putting people back to work.

Someone once said that to govern is to choose, but this Conservative government has a mania for making bad choices. For example, the Conservatives have no plan for jobs and growth. However, they do have a detailed plan for a multimillion dollar unnecessary farewell trip to Europe by the current Prime Minister. The Conservatives announced no plan for growth and jobs, but the Prime Minister's office has just announced all the details, the full agenda for the multimillion dollar farewell trip by the Prime Minister.

The egomania of the Prime Minister is more important than jobs for Canadians. Surely that cannot be right. Canadians can and will make sure that the next election will also be the farewell trip for the new Conservative leader and the Conservative government as well. We are going to have two farewell trips, one by the present Prime Minister and during the next election the farewell trip for his successor as well.

In my own city of Windsor and in cities just like it across this country, people have been devastated by Conservative policies that have brought recession and unemployment. Policies like the GST and the trade deals have closed factories and produced hundreds of thousands of bankruptcies.

• (1040)

People in my community feel they have done more than their share in bearing the burden of these Conservative policies. I think people in my community and communities like it right across this country would be prepared to do their share as part of a plan to help get this country moving. However they see no such plan for recovery and growth in this budget or in anything the Minister of Finance or the Prime Minister, or those hoping to succeed him, have had to say so far or are likely to say.

In the budget documents the government admits that even in 1998, five years from now, if there is still a Conservative government it expects to be spending $18 billion a year on unemployment insurance. That is only about $1 billion less than it is spending today. That is hardly a vote of confidence by this Conservative government in its own capacity for economic management.

As the Leader of the Opposition told Toronto's Empire Club on February 11 of this year, fostering economic growth does not mean new federal spending to finance our future. It does mean changing priorities and investing in that future. Without the Liberal two-track approach to deficit reduction and economic growth, any efforts to balance expenditures and revenues will prove futile at best and counterproductive at worst. Meanwhile the stagnant economy will continue. It will continue unless this two-track approach becomes the foundation of a new economic plan for Canada.

The fact is that neither this budget nor any of the Conservative leadership candidates have provided a realistic vision, a plan to achieve the twin objectives of fiscal responsibility and strong economic growth.

[*Translation*]

Unlike the Conservative Party and the New Democratic Party, the Liberal Party developed an economic policy which will really prepare the Canadian economy for the 21st century.

[*English*]

For Liberals the ultimate objective of economic policy is to build a value-added economy that will create permanent jobs for Canadians and protect and enhance our social fabric. This means providing Canadians with more jobs with a future in industries with a future.

To maintain high-paying jobs in the global economy Canada will need a work force second to none in skills and flexibility. In co-operation with the provinces, business and labour a new Liberal government would establish a national apprenticeship program and a Canada youth service, for example.

A new Liberal government would see technological innovation as a real opportunity for Canadians. It would pursue a research and development strategy that would enhance Canada's ability to finance, market, administer and diffuse our advanced technology.

A new Liberal government would revitalize the small business sector which is crucial to Canada's long-term economic health. It is this sector that will likely generate the most jobs for Canadians.

A new Liberal government would promote and pursue a global trade strategy and aggressively exploit the potential for export sales to growth areas such as the Pacific rim and Latin America.

A new Liberal government is committed to the concept of a true Canadian economic union, one that would eliminate provincial barriers to the movement of goods, services, capital and labour and create billions of dollars of additional economic activity for Canadians.

Liberals believe that with a national government that stands up for them Canadians can compete with the best in the world, creating new economic growth and opportunity here at home.

Yes, I would have to say that a new Liberal government alone cannot solve all of our economic problems. There is no single magical solution. However I believe that a new Liberal government will make an important difference, a real difference for the better for all Canadians.

• (1045)

[*Translation*]

In order to make this economic change, we will have to establish new partnerships with all stakeholders in this country—the private sector, the unions, the provinces, the municipalities, the voluntary agencies—and we will have to stop, once and for all, to pit these groups against one another, as the Tories have been doing for nine years.

[*English*]

In a recent speech the distinguished economist, Judith Maxwell, said:

> A society that stops building for tomorrow gets stale and deteriorates.

That is what has happened to Canada under the last nine years of Conservative rule. Conservatives have stopped investing in order to build for tomorrow. They have stopped investing in people, education, research and development. They have stopped investing in our country's infrastructure. They have stopped investing in the building blocks of a prosperous and competitive economy. As a consequence of the Conservatives not investing in our future, the Canadian economy continues to falter and our high standard of living, perhaps a lot less high since the Conservatives got in, is at risk. The future of our children is at risk.

This Conservative government has failed to respond to the challenges of a new world economy. It has failed to put people back to work. It has failed to offer a real future for our young people. Conservatives simply do not get it. They simply do not realize what has to be done. They have forgotten, or they do not want to agree, as a very wise person said to me this morning, that for Canadians there is a society to be maintained, cultures to be encouraged and a country to be built. Instead of a crusade for a better and more prosperous Canada, the Conservatives have simply presented a budget that is an admission of defeat, a shroud for a dying government.

This is not a budget to respond to the economic and social needs of Canadians. Instead, unfortunately, it is a budget designed to respond to the political needs of the Tory leadership candidates. There is no plan in this budget to get the economy moving quickly forward again

and to create more jobs for the 1.5 million unemployed and the young people entering the labour force who are seeking a future and who deserve a future.

However the fact is that the needs of Canada for economic growth and jobs have to come ahead of the ambitions of the Conservative leadership candidates and their misguided expectation that somehow they will be able to perpetuate their years in office. These needs of Canada for economic growth and jobs must come first. However that will happen only once we have an election in which this tired Conservative government, even with a new leader, will be replaced by a new Liberal government, a Liberal government with a strong economic action plan and with the mandate to implement it.

I conclude by moving:

That the motion be amended by deleting all the words after the word "That" and by substituting—

What amounts to a strong motion of non-confidence in this government.

—by substituting the following therefor:

this House condemns the government for presenting a shopworn copy of last year's budget that

– fails to present a realistic and comprehensive program to create jobs and economic recovery to permit the millions of Canadians whose lives have been crushed by Tory policies to regain their hope and their livelihood,

– fails to offer a credible and fair plan to control and reduce public debt and

– fails to provide Canadians with a true and an accurate account of the eight and one-half years of Conservative government mismanagement".

• (1050)

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair rules the amendment moved by the hon. member for Windsor West to be in order.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, yesterday's budget is clearly the budget of a tired government. In fact it is the budget of a bankrupt government that is leaving a country bankrupt.

It is incredible that we have a government that is leaving very shortly, and hopefully as quickly as possible when we have the next election, and is leaving this country in a situation in which there is the highest number of unemployed Canadians we have ever had, the highest debt and the highest number of bankruptcies. Nothing in this budget addressed any of those issues. Nothing in this budget gave hope to Canadians. A government without vision leaves a country without hope, and that is the legacy of almost nine years of Tory leadership.

The crisis we have in this country now is a fiscal crisis. There are those who say that the only way we can deal with the fiscal crisis is to create a human crisis. That is what this government has done. The human deficit of unemployment is incredible in this country. While the official statistics rest at 11 per cent, there are many studies that indicate one in four Canadians are either unemployed or underemployed and are seeking employment in this country, or better employment.

It is unbelievable that this government could stand up yesterday and present a budget to this House that was based on continuing unemployment of 11 per cent this year and further double digit unemployment in the next year. It seems that level of unemployment is acceptable to this government. One million children living in poverty is acceptable to this government, if we look at this budget. Hundreds of thousands of people using food banks is acceptable to this government.

Three years ago this House stood together and said that we would eradicate poverty by the year 2000 and this government chose to bring in its last budget which did not even acknowledge the level of poverty it has created in this country. It is a shame.

The government did have choices. Did it choose to do anything about jobs? No it did not. It chose to ignore the example of many of our trading partners, the United States, Japan and Europe, which have very recently introduced jobs plans, of investing in growth and developing a dynamic and modern economy to take us into the 21st century.

Why did this government choose to ignore the fact that our economy is simply not working? To the contrary, it continued with more of the same and said that the cure for the devastation it has created is more devastation. We on this side of the House, the New Democratic Party, say Canadians will not accept that, Canadians will not let the Tories get away with that.

There is one major reason that the Canadian economy is not working and it is that Canadians are not working.

A recovery without jobs is no recovery at all. A future without jobs is a future without hope. That is unacceptable. It is a betrayal of the people this government is here to serve.

• (1055)

[*Translation*]

Is the government attacking the deficit? No. With a deficit of $35 billion this year and a deficit of almost $33 billion next year, this exercise is a failure. And why did the government fail? Because it has refused to stop wasting money and because it will not admit that the best way to reduce the deficit is to attack unemployment. The government could have cancelled the helicopter purchase, a deal that will cost the government nearly $6 billion for helicopters to be used to fight an enemy who, since the end of the cold war, no longer exists.

No, it chose to reduce unemployment insurance benefits, to reduce federal regional development grants and transportation subsidies for farmers. It preferred to reduce subsidies for institutions like the CBC, those institutions that unite and define us as a country.

[*English*]

The government had the opportunity to close tax loopholes to the powerful and wealthy and end the private family trust exemption that cost up to $600 million each year. It had the opportunity to cancel the business entertainment deduction that costs up to $1 billion each year.

It chose instead to make life more difficult for low income Canadians by reducing the number of times the GST rebate is received to twice a year from four times a year. I know that people who have jobs and those on the government side who are living quite comfortably may not understand the real life that many low income Canadians live. They may not understand that change will really cause a severe hardship to many families.

In addition, the government chose to cut development assistance to the world's poorest citizens and made drastic cuts to advocacy groups that generally speaking, on very limited budgets, give a voice to those who are less powerful in our society.

Let us look at what the government did in this budget. It made sure that any cuts made were to those with the least power and the least voice. Those who were exempted from any sacrifice were those with the most: the rich, the powerful and those with private family trusts. Those revenues would have offset any savings by far.

This is a political budget and not a financial budget. The government made the political choice to really get the unemployed and the victims who feel powerless but it is not going to touch its friends who fund its party and will fund the next election. No, no, it is going to leave them alone.

Canadians know and want a government that stands on the side of all Canadians and not just one segment of Canadians. Mr. Speaker, as the leader of the New Democratic Party I say to you there is only one party that stands on the side of all Canadians and that is the New Democrats.

The reality is that the poorest fifth of Canadians own one-third of one per cent of the wealth in this country. The richest fifth of Canadians own 69 per cent of the wealth of this country. Have those in the richest one-fifth been asked to contribute, to sacrifice? No, they have not. Have they been asked to pay their fair share? Not at all.

Why not? As I said earlier it is because this government serves its friends. That is probably one of the saddest things for Canadians about this budget. Canadians did not understand it before but it is clear this government acts as a voice for private greed and not as a voice for public interest and the common good.

• (1100)

It is long past the time we had a government that could recapture that spirit of the public interest and common good in this country so all Canadians can benefit from the riches of our country.

Recently—I was flying back from my riding—I was sitting in the airport beside a couple of people who were discussing what they had been doing. They said they had taken their families to Europe skiing and were intending to travel a bit in Europe. They were looking forward to what they were going to do in the summer. At the end of that conversation they said they were very concerned that governments are not really cutting back social spending and health care.

The day before that I was sitting in a union hall in Faro, Yukon, in my riding where hundreds of workers are laid off and others are in danger of losing their positions. We sat and talked about the devastation to their families; the fact that labour laws did not protect them; the fact that these workers were last call on anything that might happen in terms of receiving their benefits and what was owed to them. They could not understand why a government would not protect the working people of this country.

The contrast between those two incidents is graphic. Once again I say that those who have the most are asked to pay the least. The working people who compose the engine that drives this country are asked to make the most sacrifices and are last in line when this government makes its policy and when it draws up a budget.

An hon. member: Shame, shame.

Ms. McLaughlin: Unemployment is at 11 per cent and it is killing the Canadian economy. It is killing our productivity, our ability to grow and the hopes of many Canadians whether they are miners in Faro, auto workers in Ontario or fish plant workers in the Atlantic.

The OECD has determined that Canada has the largest gap between actual output and potential output of any major industrialized nation in modern history. That output gap translates into lost production of goods and services of more than $70 billion.

As I mentioned earlier, the other gap we have is between those who have the most and those who have the least. We are now spending $80 billion a year to provide services for those who are unemployed and in poverty. Let us attack that deficit. Let us attack the real deficit, the human deficit and also the financial deficit created by unacceptable unemployment rates. To not do so is insulting to those Canadians who are truly suffering across this country.

This morning I met with a group of farmers who really do not know what their future is going to be, yet surely there is nothing more basic than the sovereignty of food. The agricultural industry is both an important part of our economy and an important part of our own well-being. Yet they feel abandoned by this government and by Canadians. Surely this is the group we should be most concerned about in terms of our national well-being as well as our economic well-being.

Would it not be a change if we had a government that chose to act like a government, accepted responsibility for the people within its borders, stopped simply depending and hoping in some Disney-like fashion that if the economies of Europe, Japan and the United States improve then Canada will somehow be dragged along?

We are better than that. We have some of the most skilled workers. We have a strong agricultural community. We have men and women who are building this country into what they hope it can be. The government obviously does not have the least bit of faith in Canadians because its plan is to see if somehow Canada can get dragged along on the hopes of other countries.

• (1105)

Is it not time Canadians and the Canadian government stood up with pride and said they had ideas, initiative and spirit? We live in a country that looks outward to other countries but we stand proud and free. We can succeed because we have the people to do it.

We will never bring down the deficit and the debt unless we get Canadians back to work. We do not have to be economists to figure out that decreasing revenues are a direct result of fewer people working. The deficit is a symptom.

Let us take a moment to look at how the deficit was created. The government brought in a high interest rate policy, a high dollar policy, a bad trade deal and the GST all at the same time. It really led us down the path. It says it is a recession but it is not. It is a made-in-Canada depression and those one in four Canadians who are looking for jobs or looking for better jobs do not just see this as some vague kind of jobless recovery. They look to those in the government to stand up for them and say: "We care about you, we have a jobs plan to address this, we are going to do it, we have the courage, we have the guts and we are going to put it before Parliament," but not this government.

What about the projections of the government? Last year it missed its budget projection on the deficit reduction by about $8 billion and clearly again it was because of a shortfall in tax revenues.

We need a government that will stand up and say it is not going to attack the unemployed, it is going to attack unemployment. It is about time.

[*Translation*]

I think we should remind the government of the following important equation: more people on the labour market means more tax revenue. More people on the labour market means that fewer Canadians will depend on the government to get by. Increased revenue combined with a drop in income support payments like unemployment insurance will reduce the deficit. The government has failed to understand this equation. And Canadians are paying the price. It is about time the government paid the price for its own incompetence, and that time will come on election day.

[*English*]

The government predicts a much rosier picture in terms of deficit reduction and unemployment four or five years down the road. The only good news is that it will not be there four or five years down the road.

This is the last budget of this Conservative government. Otherwise I would suggest it call in someone from *The National Enquirer* to develop its projections because it has about the same legitimacy. Sometimes *The National Enquirer* is actually much more accurate with its yearly predictions than the finance minister.

How do we get the economy moving and create jobs for Canadians? The Liberals have not offered any answers. The Reform Party's solution is to totally destroy the social foundation on which our economy is based.

We need a jobs plan in this country and only the New Democratic Party has presented a plan that will create 1.6 million new jobs over the next five years. According to independent analysis, it would bring down inflation and the deficit. It would not tax lower and middle-income Canadians further.

The government is right when it says ordinary Canadians cannot afford to pay any more taxes. We agree. After all it is this government that increased taxes on the average family by over $1,900 a year. It has devastated our economy with the GST and it is only fitting for the thief to recognize there is nothing more to steal.

[*Translation*]

The New Democratic Party has an economic strategy based on full employment, which will put the economy back on track. We have formulated the following specific proposals: a national infrastructure reinforcement program; a national daycare program; a national investment fund; investment in research and development; development of new technology; and fiscal and monetary policies that set a priority on job creation.

• (1110)

[*English*]

Our plan would end bad trade deals that have cost Canadians thousands and hundreds of thousands of jobs. It would introduce a fair tax system where the rich and large corporations finally pay their fair share.

This is a tired government. We understand. We are tired of the government too. It is a bankrupt government. It is a government without vision. Its way is not working. That is the bottom line. Its way does not work and we do not need more of its way which does not work for Canadians.

Unemployment at these levels cannot be sustained. It is a human waste. It is an economic waste and it is a national shame. The source of that shame, the Conservative government, must be defeated.

This country is capable of great things but we cannot in the budget presented by the Minister of Finance see anything great. There is more to this country and there is more hope for Canadians than this government has offered.

This government in nine years has destroyed this country. We in the New Democratic Party say, call that election. You will get the message from Canadians and New Democrats will help to build a new, better and more prosperous Canada.

Some hon. members: Hear, hear.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I listened attentively to the remarks of the Leader of the New Democratic Party.

Part of her remarks I actually agreed with in total. The concern that I have has to do with small business. We all know the greatest hope for new job creation lies with the small business sector in this country.

We have home based businesses, small businesses where people might employ only three, four or five people. There are close to 1.3 million such businesses in Canada. They are finding it very difficult to get access to capital.

The financial institutions in this country are just not playing ball. The government made a commitment to all of us in this House a few months ago that the Small Businesses Loans Act would be the financial instrument to put capital back into the hands of the small business sector.

The government made a commitment that it would promote that bill. It has not lived up to it. This sector to me is our greatest hope. I did not really get a sense, and I say this respectfully, from her remarks that that sector was getting support. I would like her to deal with that.

I would like to know what the New Democratic Party would do to try to make the banks wake up and realize that in addition to finding money for the Reichmanns, the Bronfmans, the Campeaus and a lot of other developers in this country, they should take the time to go out and make small business loans which are the source of this new job hope.

Ms. McLaughlin: Mr. Speaker, the hon. member raises a very important question. As he well knows, being very familiar with this, small business creates about 80 per cent of the new jobs in our economy. Therefore there must be a lot of attention paid to this.

The member is quite right. It has certainly been my experience across Canada that access to capital for small business for new initiatives and in some cases for continuing initiatives is very limited.

In a lot of areas but particularly in rural areas, in areas outside central Canada, it is often more difficult. That is why seeing the government reducing regional development funding is incredible. Some of that regional development funding of course would go directly to small business.

It is also quite incredible in this time of depression and recession when one sees that one of the major banks in Canada over the last two years made $1 billion profit.

• (1115)

It would seem to me that a government interested in small business would bring bank presidents together, would begin to talk about this and would begin to implement policies that would under the Bank Act make loans to small business, obviously ones that were accountable and feasible, as a real part of banks' responsibilities to this country.

I would say also that in the New Democratic Party's jobs plan we propose a national investment fund. The idea of that fund is specifically directed to the member's point about encouraging small business, in making sure that private funds, public funds and regional funds directed by regional boards are directed to investment in just exactly those kinds of enterprises that are appropriate to each region of the country. I think we have seen that a highly centralized system of encouraging regional development often does not work because the people of that area who obviously know the most about that area both in economic terms and in a business sense have not been the ones that have been able to make those decisions.

There are also many changes that can be made to reduce the paper burden on small businesses. I am sure anyone in this House who has either been in small business as I have or others will know that the GST has phenomenally increased the administrative burden, paraticularly for smaller businesses.

That is why we in this party propose to eliminate the GST over a period of time. We feel this would put more money in the hands of consumers. It would reduce and make the business climate more favourable specifically for small business and it would create jobs as has already been indicated by the Canadian Federation of Independent Business.

I am certainly in agreement with the member that small business must be the real focus of any plan for the economy. I look forward to seeing the Liberals' plan for small business when they have a plan.

[*Translation*]

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I am very pleased to speak today in support of the budget that my colleague, the Minister of Finance, presented yesterday.

It is interesting that the budget comes at the same time as spring. I see a lot of symbolism in that because, as everyone knows, spring in Canada always brings with it a feeling of optimism and dynamism. This budget will give Canadians what they need for new growth, new jobs and renewed prosperity.

Of course, success never comes without effort. As Corneille wrote in *Polyeucte*, "Do we have to win so many times before we triumph?" Canada has had to face so many economic and financial challenges in the last several years that it seemed at times as though we would never get there and would always have to start over.

Today we see that these efforts were not in vain. The budget presented by my colleague, the Minister of Finance, clearly shows us that we were right not to doubt and not to give up but to follow his lead he gave us with the unconditional support and unshakable determination of our Prime Minister, the Right Hon. Brian Mulroney.

I would like to talk to you today about some measures in the budget which I think are particularly important and of some effects that the budget will have, especially in the department for which I am responsible, the Department of Transport.

The first objective of the 1993 budget is our number one priority: freeing the Canadian economy so that it can grow and create the jobs we need. For that, we must lighten the burden our economy and our people are saddled with as a result of the deficit and the debt.

During his pre-budget consultations, the Minister of Finance found an unprecedented concern over the excessive borrowing and spending habits of federal and provincial governments.

Canadians definitely want less government borrowing, lower taxes, more jobs and greater choices for the future. Canadians saw what happened when governments acted as though they could add to the debt indefinitely. Taxpayers pay more and more to receive less and less service from the government when interest payments take a growing share of every dollar in tax revenue. Higher and higher taxes slow down the economy, and reduce economic activity, decrease growth and employment.

• (1120)

The 1993 budget answers these concerns by considerably tightening the spending restrictions presented in the economic and fiscal statement of last December. In its main proposals, the budget first imposes no new taxes; second, saves over $30 billion in spending reductions and other measures that will be implemented over the next five years. This means that the government will restrict the growth in program spending; that is, there will be no real growth in spending, not counting interest charges on the public debt. Third, it is reducing the cost of the federal government by streamlining its activities, reducing the regulatory burden and improving efficiency.

[*English*]

The goal of the budget, the Minister of Finance said, is to free the economy for more job creating growth by steadily reducing the burden of deficits and debt. Transportation is not immune from such a balancing exercise. Fiscal restraint must be shared by all Canadians.

However, Canada is a trading nation and transportation will remain a cornerstone of our economic well-being. The government has recognized the importance of transportation infrastructure in guaranteeing our future economic prosperity. Indeed, the diverse nature of Canada's economy places ever-increasing importance on a safe and efficient transportation system that will allow us to meet the growing challenges of the new global economy.

Major new strategic capital investments in Canada's national transportation and communications networks are under way. Agreements have been signed with five provinces to improve hundreds of kilometres of highways and to create many thousands of jobs. An additional 15,000 person-years of employment are expected to be provided from further projects to be announced in the weeks and months ahead.

These transportation improvement initiatives are being funded out of savings from last year's budget and the December economic and fiscal statement. The measures have been implemented and they are working.

I do not need to underscore the importance of the highway network in Canada. Canadians make around 90 per cent of their trips by car and bus. Close to 60 per cent of freight traffic moves by truck. Recent studies have demonstrated that certain sections of the national highway system do not meet the increasing needs of highway transport. This situation creates safety problems and results in congestion and delays for travellers and commerce. Millions of dollars are lost each year when travellers and freight are tied up in traffic jams.

The Government of Canada has recognized this and has invested strategically in the construction and maintenance of highway infrastructure which will generate important benefits in terms of improved safety and economic growth.

[*Translation*]

As for the equipment used by Transport Canada to carry out its mandate, we will examine the possible benefits of privatizing our helicopter fleet. We will also take a thorough look at the fleet and aircraft service activities to determine the most economic way to provide the service. A pilot project will be implemented to use private sector resources for flight inspection services in Western Canada, provided technical accuracy can be assured. International experience has proven that the private sector can provide similar services more efficiently and economically, while maintaining high safety standards.

In the area of subsidies for transportation and agriculture, the grants and contributions provided in the Western Grain Transportation Act, the Atlantic Region Freight Assistance Act and the Maritime Freight Rates Act will be reduced by 15 per cent in 1995–96 and 20 per cent in each of the following two years. This has already been the subject of several discussions with the appropriate authorities.

• (1125)

[*English*]

Services have been rationalized and VIA Rail's operating budget will be reduced by $50 million in 1995–96 and by $100 million for each of the following two years. Although I expect there will be a strong reaction to this initiative, VIA Rail has already demonstrated a flexibility and determination beyond what had previously been predicted.

Responsible sound management and corporate restructuring have allowed VIA Rail to fulfil its mandate and even to cut its dependence on government funds further than expected while continuing to provide first class rail passenger services across Canada. VIA Rail's restructuring was necessary due to its spiralling financial requirements which led to our decision in 1990 to reduce its funding by half. This in turn led to a 50 per cent reduction in VIA Rail's services.

During the three years since the reduction, VIA Rail has been able to improve its performance substantially. It has managed to provide transcontinental corridor and remote services at funding levels below those authorized by the government. As well, its service to the public has improved. Its on–time performance now exceeds 90 per cent and most of its trains are now equipped with LRC equipment or rebuilt cars.

In 1992 VIA Rail was able to increase its train frequencies on the Montreal–Ottawa–Toronto routes without any increase in its need for resources. It will take VIA Rail some time to analyse the impact of the cuts on train services and the corporation's work force and to prepare a strategy for its new commercial mandate. We expect an announcement on the impact on train services in late 1993 or early 1994.

[*Translation*]

These measures, together with the many others detailed in the budget, will maintain the 1993–94 deficit at the projected level of $32.6 billion and will considerably reduce the federal deficit in the next five years, as the recovery now under way strengthens.

By 1997–98, the government will end all new borrowing, both in Canada and abroad. Interest payments on the debt will decline to 26 cents per dollar of revenue, compared to 36 cents in 1990–91. The deficit will be reduced to $8 billion, less than 1 per cent of national revenue, compared to 5.1 per cent in 1991–92.

With the measures to stimulate the recovery in the budget of February 1992 and the economic statement last December, the Canadian economy has created over 200,000 full–time jobs since last August.

We are now in a good position to gradually improve our economic performance; our real growth will be nearly 3 per cent in 1993 and over 4.5 per cent in 1994, while inflation and interest rates will remain low.

More than ever, Canadians want their governments to co–operate for the sake of economic prosperity and international competitiveness. They want a national solution to the national debt problem and want governments to act without delay. The Minister of Finance has already invited his provincial and territorial counterparts to Ottawa in late May to begin working on this.

With the 1993 federal budget, the government has a responsible and achievable plan to restore the nation's finances and strengthen our economy's ability to create jobs.

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, I want to discuss the issue of the deficit, which was raised by the Minister of Transport. The minister said in his comments that the burden imposed by the deficit and the debt had to be alleviated, thereby implying that the government had managed to do so, when in fact it is the opposite, as we well know.

The government failed miserably on this issue, and I wonder if the minister recognizes the magnitude of this failed attempt.

• (1130)

The minister knows full well that the deficit for the year which just ended last March 31 will be of the order of $35.5 billion. He also knows—if he read today's newspapers—that nobody believes the economic forecasts contained in yesterday's budget. We are told that real growth will reach 4.5 per cent in 1994. The government is dreaming in colour.

During the eighties, there was significant economic growth because of the strength of the American economy and the strength of growth and consumption in Canada. However, I want to emphasize that nobody believes that the recovery in the United States will be as strong this time as it was in the eighties, and I also want to refer to one of the indicators mentioned on page 42 of yesterday's budget. For the current year, the government anticipates an increase of only 0.5 per cent in the personal income of Canadians, while the population will grow by about 1.5 per cent. This means that Canadians will suffer a net loss of income. Instead of having—

The Acting Speaker (Mr. DeBlois): Order, please. The hon. member should either ask his question or conclude, because there are other members who want to ask questions.

Mr. Berger: This means that Canadian consumers will have less money to spend this year. How can the minister justify his optimism, given these facts?

Mr. Corbeil: Mr. Speaker, I think that my hon. colleague, like all hon. members of this House, will recognize that no one in the world has infallible means of predicting what is going to happen in the years ahead. Everybody has their own prediction tools and it is always on that basis that all calculations are made.

I think that we are in very good company when we base our forecasts on those of such a reputable and absolutely impartial organization as the International Monetary Fund, which has been saying for months now that in 1993-94, Canada will have the highest growth rate in the world. We are basing our predictions and forecasts on such in-depth and reliable analyses as those of the International Monetary Fund.

The people of Canada must be absolutely delighted with what the Conservative government has achieved over the past nine years and what it is planning for the future, as compared to the statement the leader of the Liberal Party made in his riding of Shawinigan just last Sunday that, if elected, his party would try to bring the deficit down only to 3 per cent of Gross Domestic Product, while the measures we are putting into place at this time will reduce the deficit much more.

What is even more disturbing and disquieting for the population as a whole to realize is that not only did his party put this country thoughtlessly in debt the last time it was in power, but he is now proposing to maintain the deficit indefinitely at $25 billion a year. If ever there was one thing that should alert Canadians to the dangers that lie ahead if that party were to come back to power, it is this very statement by the leader of the Liberal Party.

• (1135)

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a question for the Minister of Transport regarding the cuts to VIA Rail and also to the CBC.

Back in 1981 when Jean-Luc Pepin was Minister of Transport he decided to cut VIA services by 19 per cent. At that time the now Minister of Finance led a Conservative Party task force across the country to find out the views of Canadians on the appropriateness of VIA Rail passenger services. The report he issued on behalf of his colleagues said in part: "The task force affirms that the federal government has a responsibility to ensure that rail services in Canada be retained, modernized and expanded as an important part of our national transportation system."

We know and the minister in his own comments reminded us of the 50 per cent cut in the subsidy level to VIA a little over two years ago. He pointed out that there will be further cuts. In fact, by the year 1997–98 the VIA subsidy will be $138 million.

The question I want to put to the Minister of Transport is, how can he expect VIA Rail to continue to operate outside of the Windsor–Toronto–Ottawa–Montreal–Quebec City corridor if that is the level of subsidy that is going to be available?

As he knows, the routes from Toronto to Vancouver, and the routes from Montreal to the Atlantic do not and never can pay their own way. Why has he and his government decided to put an end to VIA Rail? That is really what it amounts to. Why is he not prepared to invest in the national unity of this country to ensure that people can travel to see each other, to meet each other and to visit this great country? Why is the government doing that when it should be funding it properly and providing new capital services?

Mr. Corbeil: Mr. Speaker, the hon. member refers to the period when Mr. Jean–Luc Pepin was Minister of Transport. If my memory serves me well, I think this was around the end of the 1960s or the beginning of the 1970s. About 25 years have gone by since then. I do not really keep very good records of when the Liberals were in office. I would prefer we forget that completely because of the legacy they left this country where we are now facing at both the federal and provincial levels almost a financial crisis situation.

Everybody who has been consulted over the past few months and years have said that we must address the question of the national debt and the national deficit. Otherwise we will have to very badly attack some of the essential programs this country must provide to its citizens.

We have demonstrated and VIA Rail has demonstrated since the cuts in 1989 that it can restructure and rearrange its services to provide an appropriate level of services to Canadians who want to use the train and at the same time live within their budgets. I have every confidence that it will continue to do so.

Mr. Johnson: Mr. Speaker, I rise on a point of order, I believe I heard a portable telephone ringing in the House a few moments ago. I did not see a member actually answer the phone.

An hon. member: There it goes again.

Mr. Johnson: Mr. Speaker, I would appreciate it very much if you would clarify for the House that this is entirely inappropriate.

The reason I make the point is not to criticize the member particularly, but to remind everyone that members in the House are required to speak and answer on their own feet. If we allow such devices to be brought into the House, we are going to find ourselves in a situation where ministers will be answering questions based on answers given to them over the telephone by their aides and so on. We could entirely disrupt the order of—

An hon. member: It is the lobbyists calling them telling them what to do.

Mr. Johnson: Yes, as my colleague says, we could end up with lobbyists calling in to tell members how they should speak. I think it is entirely inappropriate and I would appreciate it if the Speaker would clarify that it is inappropriate to have such devices in the House.

• (1140)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I simply want to state the obvious. To my knowledge, our parliamentary tradition and our current Standing Orders do not allow for the use of that kind of modern devices in the House. I think there is no need to dwell on that.

However, I must say that during a parliamentary visit to New Zealand, I was surprised to see all members of Parliament with a telephone on their desk. I do not believe that we have reached the same level of sophistication in the House of Commons of Canada. Anyway I will not dwell on that subject and I invite all members to be very cautious about that. It may happen from time to time that an hon. member forgets to turn his telephone off, but I invite you all to be very cautious. This House is clearly dedicated to direct parliamentary debate which takes the form of oral exchanges between members.

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, while I certainly agree with the point of order raised by the hon. member I would simply point out that indeed portable telephones might well improve the quality of answers coming from the minister.

[*Translation*]

It just proves that the government has completely lost contact with reality. For the second time in four months, the Minister of Finance intended to propose a supposedly growth oriented budget plan. Mr. Speaker, as you can see from yesterday's budget, the only thing that could be growing is the frustration of the Canadian people toward a government that refuses to take the necessary steps to give them hope once again.

[*English*]

This has not been a simple recession. We have gone through a fundamental restructuring of the world's economy, a restructuring that has been made worse in this country as a result of the monetary and fiscal policies followed by this government.

The problem is that we are not alone in this restructuring and it is the failure of this government to understand this simple fact that has led to its projections consistently not being met; $1 billion out in the deficit in the last four months, $8 billion out in the deficit in the last year, projections which have made this government the laughing stock of governments around the world.

We can live with that I suppose because its life is so short lived. Those who cannot live with this government's failures are the 1.6 million unemployed in this country, those who are on welfare, the ever-increasing army of the working poor. The Minister of Finance stands up here and talks of double-digit employment as if it is a simple statistic on a written page.

I would ask them to leave the written page and go into the real world. Come into my riding and see what it is like when families are broken up, see what it is like when young people are condemned to a decade of no jobs and suddenly begin to realize that the life for which they had such hope has disappeared before them.

There are four keys to job creation. The first is a lowering of our real interest rates, putting this country on a competitive basis with the rest of the world. In yesterday's budget the interest rates projected by this government continue for the next five years at historically high levels, far higher than our competitors, far higher than will make it possible for us to develop a competitive economy.

When one looks at the reactions of the world's financial community to this budget one must be fearful that interest rates will continue to rise and under those circumstances we will be plunged once again into recession. We will be plunged once again into a period of deflation while the rest of the world continues its restructuring and young Canadians begin to ask themselves if indeed there is a future for them in this country.

The second key is retraining. Nothing in this budget recognizes that the most important natural resources in this country do not lie buried deep in the ground. They lie in the skills and talents of those who walk upon it.

• (1145)

Research and development is the third key. This budget deals with research and development as tokenism. It talks of mechanisms, it talks of exploring, it talks of process but there is nothing concrete to enable Canadians to build an innovative economy. There is nothing in this budget that will allow us to take on both the Germans and the Japanese, those who are meeting the modern challenges.

There is no mention of environmental technologies, medical technologies and the great growth areas which are required if we are going to create the jobs of tomorrow.

Finally the fourth key is small and medium sized business. My colleague from Broadview—Greenwood has been so articulate in this House on the subject. What does the budget say about small business, that area of the economy which is creating 85 per cent of all the jobs in this country? It is virtually silent. Is it because small and medium sized businesses are Canadian-owned and that this government looks south for its economic direction and not within the heart and fabric of the Canadian nation?

The multinationals of tomorrow are today being created by two people in back sheds. This is happening right around the world and it is not happening in

Canada. That is why Canadians are losing faith. It is why they have lost faith with this government.

When the Liberals take power within the next three months—maybe four months depending upon when this government finally summons the courage to go to the Canadian people—we will once again give Canadians the tools and the confidence to rise to the challenges that lie outside our borders.

[*Translation*]

What is most astonishing in this budget is that, while Canadian taxpayers seem willing to directly address the deficit, the Minister of Finance instead served them a rehash, in a context so optimistic as to make everyone dream.

[*English*]

The 1993-94 budget is the last Tory budget.

An hon. member: Thank God.

Mr. Martin: Thank heaven.

It is also the last budget to be written according to the conventional wisdom of old style politics. The hallmarks of political budget-making are stamped on every page of this very lean document; dubious deficit forecasts, inflated economic assumptions.

This budget demonstrates the government's fiscal, economic and intellectual bankruptcy. For better or for worse the people of Canada are adjusting to very different economic circumstances. Every business, every volunteer group, every association in the country is coping with change. It is very clear—if there was any doubt of it before—after yesterday's budget that this government is not.

In the real world off Parliament Hill and outside the dynamics of the Tory leadership race that this budget was designed to comfort, a political revolution is under way. Canadians are demanding an end to the volleys of taxation that issue from the nation's capital every spring. They are demanding that governments cease their political fiddling while our prosperity burns.

In a thousand ways the central issue of our time, the reordering of the relationships between Canadians and their governments, is intruding on the business as usual world of politics and government; the rejection of executive federalism.

The popular uprising against a British Columbia proposed homeowners' tax in March of this year and the massive unpopularity of governments from coast to coast all bespeak a deep and an urgent hunger for change. Canadians are demanding nothing less than an end to the political economy of governments that can neither follow the wishes of their citizens today nor bring before them the questions that must be decided tomorrow.

• (1150)

The challenge facing Canada is twofold. An immediate reordering of our public finances must be undertaken to avert a fiscal crisis. At the same time a reordering of the politics that underlie our financial problems must occur. The failure to meet either challenge will result in the failure to meet both.

Liberals propose to confront this challenge head on. Canadians must take full possession of the reordering of their public finances. There must be a new covenant between Canadians and the three senior levels of government. Growth strategies and mechanisms for their achievement must be arrived at. Plans for improving the cost efficiency of government services through a deep restructuring must be adopted. The tax structure must be reordered.

Again, my colleague from Broadview has been so articulate as indeed my colleague from London, those who really have brought forth a new vision as to how Canadians can govern themselves, can tax themselves and can bring themselves out of the depths of despair into which this government has unfortunately plunged them. A fundamental evaluation of the respective roles, the responsibilities and the powers of taxation of all three levels of government must be undertaken.

In the debates that take place between governments, why is it that the federal and provincial governments can seemingly continue to ignore municipal governments, those who are on the front line of social change? Why is it that they ignore the business community, the volunteer associations and the sole taxpayer who is at the bottom of this incredible pyramid of cost and efficiency led by this Conservative government?

Irregular taxation among jurisdictions has produced economic distortions, inefficient and wasteful collection costs and a perverse sense that the tax system is irrational and unfair.

Canadians are prepared to pay their fair share of taxes. What they object to is when they see discrimination against them in favour of others. What they object to is when they see that the services that they have come to expect cut back and their taxes going up. There is a deep feeling that the system is warped against Canadians. Over the last nine years in fact that is the legacy of this government.

We will not solve the debt problem in this country without a national consensus on what it is reasonable to ask of the Canadian taxpayer and unless there is a consensus on how he or she is to be taxed.

We have a phenomenal opportunity to build one of the great countries of the world. The problems of this nation are not going to be solved by jargon and rhetoric. They are going to be solved by a nation which is able to achieve great things together.

The budget speaks to the government's economic plan. The budget sets out to the Canadian people the plan by which it sees them achieving this greatness, by which it sees them competing with other countries in the world whose economies are prospering. If that is the case and this budget is the best this government can do, what hope is there for Canadians?

Yesterday we were in the lock-up for four hours. I expected to be occupied. I read the document in 20 minutes. The government explained it to us in five minutes. In fact it did not even send in the departmental officials until the very end because there was not enough to explain.

Why did we have this budget? It was a non-event. Why did we have the last December statement? It was a non-event. Has this government run out of ideas and imagination?

Mr. Mills: All hype, no hope.

Mr. Martin: All hype, no hope.

Mr. Arseneault: Bankrupt of ideas.

Mr. Martin: Bankrupt of ideas.

• (1155)

My God, we could do a better budget on this side in the next five minutes than that government has done in the last four months.

[*Translation*]

This budget is nothing more than the last wishes of a government that has decided to throw in the towel. This government has been promising us for almost nine years now that it would firmly attack the deficit. It has failed totally. The federal government and the provinces are now deeper in debt than ever before. And the saddest thing in all of that is that this budget will never be successful in reassuring international financial markets, which was one of the goals of this exercise.

Because he wanted to leave all options open to the next leader of the government, the Minister of Finance is jeopardizing the economic health of the whole country. Canadians have had enough of this mascarade. Young people on social welfare and the unemployed have had enough of this mascarade. We are wasting valuable time. The citizens of this country have the right to judge now. The curtain must fall on this government, and the sooner the better.

[*English*]

The time has come to let the Canadian people judge if what they want is the empty vessel served up by this government or a political party, a movement and a consensus which understands that we will solve the deficit through growth, that we will give Canadians hope through growth, that we will resolve the national unity problem by giving Canadians from coast to coast, from British Columbia to Newfoundland, a goal to believe in. That is the Liberal vision.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to take a few minutes to respond to some of my colleague's statements.

I was also a little surprised yesterday with regard to the budget. I feel it was more or less an economic statement. One thing that perhaps some of us have forgotten is going back to the economic statement of December 2 presented by the Minister of Finance.

I want to review a couple of areas. My colleague mentioned what he felt was the fundamental restructuring of society. It had to do with lowering real interest rates, retraining using human resources, research and development, and environmental concerns, and the member also mentioned medical and research concerns.

If we take a look over the last period of five to six years, real interest rates are probably the lowest they have been in 20 years. With regard to that area we have

to take into consideration the inflation factor. Most of us here would find that over the past number of years inflation has been worked on pretty heavily. It was 1.9 per cent in last month's statistics report.

We have a relatively stable Canadian dollar now. While it has only been for the last six or eight months, we are sitting in the 79 cent, 79.5 cent area, which is extremely important for our exports and our trade.

Training and human resources are very important. I would like to say with regard to the UI changes that were announced in the economic statement, $2.2 billion out of the UI account this year will be spent on job training and job creation for the unemployed. If we put that in the complete package with the government it totals $3.8 billion.

On research and development, we have some of the very best tax credits for research and development in the world.

One thing I want to say with regard—

The Acting Speaker (Mr. DeBlois): Order, please. I invite the hon. member to ask her question or to conclude her remarks because there are other members who want to ask questions.

• (1200)

Mrs. Sparrow: Thank you, Mr. Speaker. It is hard to get in with these people all clamouring to get out there.

I take those four points the member mentioned very seriously because job creation is important, there is no doubt about it. All of us recognize that unemployment is too high, but the member specifically has to put in more funding.

I would like to know if the member is in a position to comment here in the House with regard to obtaining that funding through curtailment of payments either through transfers to people or to the provincial governments. There is no doubt that 68 per cent to 69 per cent of government expenditures go to transfer payments. Is the member going to increase UI contributions or premiums that are paid by the employers and employees, which would be very difficult? Where is the member going to get the funding for these particular areas to answer his four points?

Mr. Martin: Mr. Speaker, first of all I would like to thank the member for her question and intervention and for her recognition that what we got yesterday was not a budget but a very poor statement at best.

I must say that I hope tomorrow within her caucus she will be a voice of reason unfortunately surrounded by a sea of irrationality.

An hon. member: Misery.

Mr. Martin: No, the misery is in the country, the irrationality is in the Conservative caucus.

Let me simply deal with the points she raised. The fact is that the projections that are made in terms of real interest rates are historically high. They are almost twice as high as the real interest rates in the United States. The crucial point is not where real interest rates in Canada are in absolute terms but where real interest rates are in relation to our competitors. If they have a lower cost of capital than we do then the effect on our ability to expand is felt directly.

In terms of training, it is not enough to simply spend money. We really have to become very focused on where the problems lie, which is why we as a party have advocated a youth corps to give the 36 per cent of high school students who drop out by grade 10 an incentive to go back to school. It is why we have talked about an apprenticeship program in order to handle the very important transition from high school to the work place.

Germany graduates 600,000 apprentices a year. We graduate 24,000. We are condemning a vast segment of our young population to a lifetime of unemployment.

In terms of research and development, we have really said that the role of government is to focus on changing the economic culture of the land toward one of innovation so that research and development simply does not become an aside.

The science minister sits away back there on the back benches. He is not on the front benches and is not a major minister.

Mrs. Sparrow: He's right there.

Mr. Martin: He is given the opportunity to speak about once every six months, and only then if all the senior ministers on a Friday are not in the House.

We are saying that science and technology must become the focus of the industrial development of the country so that we can build a modern economy.

On the issue of funding, first of all we should look at return on investment. Second, if what we want to do is build a modern economy then we should do it on Canadian technology. Do not buy Italian technology to build helicopters to fight a war that is over. Give us a chance to build the things we need for the future.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, first I want to congratulate my colleague from LaSalle—Émard for a true message of hope. This is what Canadians want today with so many people not working.

In point four of his plan he referred to the importance of small business in revitalizing the economy and putting people back to work. The question that we get as Liberals is how will we be different in approaching the banks, the financial institutions and the credit unions of Canada and mobilizing them and inspiring them to the realization that small business is where it is at and that is where financial institutions have to focus.

• (1205)

As the chairman of our platform committee I know that the member has done a lot of work in this area. Will the member please give the message of hope to the small business sector and the people of this country on how we will approach the financial institutions of this land on assisting small business.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member for LaSalle—Émard has one and a half minutes left.

[*English*]

Mr. Martin: Mr. Speaker, I thank my colleague for the question. In the minute and a half that I have been given I want to say that there is no doubt that one of the fundamental problems in Canada is that instead of the financial sector being at the service of the productive sector, enabling us to create the economies of tomorrow, the productive sector has become the plaything of the financial sector.

The Canadian banking system, and most financial intermediaries, are failing in two areas. First, the credit crunch is real. Small and medium sized businesses have been cut off at the pass. They are cut off when they get into financial difficulties or when they are about to take off and they need the money to expand into the markets of the world. The second failure is that we will never build an innovative economy if the banks and financial institutions do not have within their own staffs those engineers and scientists capable of evaluating projects which arise out of the mind, which are not simply bricks and mortar, the conventional kinds of things the Canadian financial system has financed.

We would say to the Canadian financial system: Either you solve that problem or we will open the doors and others will come in to do it. We believe with the power of government and the national consensus of the Canadian people, which says that the financial system has a responsibility to make up for the monopoly powers it has, that those monopoly powers will not stand unless it fills the responsibilities they were designed to fill.

Mr. Mills: I rise on a point of order, Mr. Speaker. I have talked to our colleagues here and because of the nature of this very important debate we would hope to get concurrence of the House so that we could sit right through the lunch hour to continue to debate this very important piece of legislation.

[*Translation*]

Mr. Tremblay (Québec-Est): Mr. Speaker, we on this side of the House are agreeable to the hon. member's suggestion to continue the debate during lunch hour.

[*English*]

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to extend debate over the lunch hour?

Some hon. members: Agreed.

Mr. John Reimer (Kitchener): Mr. Speaker, when this government was elected to office almost nine years ago the biggest challenge facing us was to restore some fiscal sanity to our economy. Now nine years later, where are we? Some will complain that the deficit is almost as high today as it was in September 1984. Others will criticize us because the national debt has more than doubled since we took office. It would be instructive to review the past

nine years and seriously look at these comments in the light of economic realities today.

In 1984 this government inherited a national debt of $206 billion. When the Liberals were elected in 1968 the debt stood at only $18.8 billion but when they left it was $206 billion. During that 17-year period Canada's debt increased and became 11 times higher. By comparison, since 1984 the debt has grown from the inherited $206 billion to $458 billion for this year.

On the surface it would seem reasonable for the opposition Liberal Party to complain that the debt has doubled under Conservative management. However the comparison soon wears thin when one considers that rather than 11 times higher, which happened while the Liberals were in office, it is now over twice as high. On top of that, this government has not added one cent to the debt since 1987.

From 1970 to 1984 a surplus of $220 million became a deficit of $38.5 billion under the Liberal administration. Government spending was out of control. Those are not just my words but those are the words of the Auditor General who in the mid-1970s said he was deeply concerned "that Parliament, indeed the government, had lost or was close to losing effective control of the public purse." He then went on to say: "Federal management and control in the Government of Canada is grossly inadequate." That is what the Auditor General said while the Liberals were in office.

• (1210)

During the Trudeau years, government spending on programs had increased at an average annual rate of 13.8 per cent, far in excess of inflation. If this trend had been allowed to continue after 1984 the result would have been catastrophic. If we had allowed spending to continue at the same average pace as the Liberals, the national debt would have sky-rocketed from $206 billion when we inherited it to over $900 billion today, rather than the $458 billion. This year's annual deficit would be over $85 billion rather than the $32.6 billion for this fiscal year.

We could not leave this burden to our children and to our grandchildren. Action was needed and action was taken. Barely two months into our first term, the Minister of Finance laid out our economic plan, a plan that has been adhered to in every single budget including this one, nine budgets and five economic statements in a row.

What have we done? Every single budget and every economic statement that this government has offered to Canadians has cut spending. Every single one and every time the opposition complained about our cutting of spending.

Since 1985 a total of $118 billion has been cut by this government. Added to that the December economic statement cut spending by $8 billion. This budget further cuts spending this year by $3.8 billion and next year by $5.8 billion, totalling $30.7 billion over the next five years.

Compared to the average annual increase of 13.8 per cent of the Liberal 15-year period, our program spending since 1985 has averaged only 3.9 per cent per year. Beginning in 1991 the Spending Control Act was passed by Parliament that legislated an annual ceiling of 3 per cent per year. With the measures of this budget, the average program spending will now be held at only 1.5 per cent over each of the next five years. This is well below inflation. The 1.5 per cent average annual increase will be the lowest we have seen in Canada since the early 1950s, or 40 years ago.

The contrast is even more dramatic when compared to the 9.3 per cent under the current Liberal leader when he was Minister of Finance. More astonishing were the increases the present Liberal leader permitted when he was President of the Treasury Board: 16.3 per cent in 1976 and 14.6 per cent in 1977. Clearly this contrast shows this government's fiscal responsibility where our actions speak louder than words. No wonder then that the Auditor General just after two years of Conservative management said: "Members of Parliament and the taxpayers of Canada should be heartened by genuine improvements."

It would be instructive to look at the spending habits of provincial governments over the same period of time. While the federal government was spending at an annual average rate of 3.9 per cent from 1984 to 1992, Ontario during the same years spent at a rate of 10.6 per cent and the province was not alone.

For the city of Kitchener in my riding the average annual increase over those same years was 7.5 per cent. The local public school-board's increase was 9.5 per cent. I must mention that the city and the school-board sometimes had to start new programs demanded by the

province without sufficient funding. Impressive and deep cuts have been made in this year's budget.

It also seems that Premier Rae and his socialist cohorts at Queen's Park are beginning to see the light. No one should be misled by the socialists here or at Queen's Park in Toronto who say that we have just simply passed on our problem to them. Yes, we have asked them to share part of the national problem. However Ontario's own treasury papers tell us that we did not cut our transfer payments to Ontario. Transfers to Ontario, according to its papers, actually increased from 12.9 per cent to 17.2 per cent of total provincial revenues. Remember that these are not my figures; they come straight from the Government of Ontario.

• (1215)

Added to that the impact of our measures on Ontario represented under 1 per cent in the first year and under 2 per cent in subsequent years of the total provincial revenues. All the while Ontario continued spending at an average annual rate of 10.6 per cent while we here in Ottawa over those same years were spending at an average rate of 3.9 per cent.

As I said earlier the national debt has more than doubled since 1984. Also we have not added one penny to the debt since 1987. What does that mean? Quite simply since 1987 we have been running an operating surplus.

In 1985 we ran a $16.1 billion operating deficit in our first year. In effect on top of the annual interest payments on the debt, another $16.1 billion was added to the debt. By 1987 we turned this around. Since then the cumulative effect of the surpluses in each year has actually reduced the national debt by $25 billion.

Since 1984 the government has privatized or dissolved 39 Crown enterprises and other holdings and has improved the operations for the remainder. The number of full-time Crown corporation employees has been reduced by nearly 90,000 individuals.

In 1984 the inflation rate stood at 4.4 per cent. Today it is under 2.5 per cent. Interest rates have fallen from 13 per cent in 1984 to 6 per cent today. Therefore mortgage rates have also tumbled. The annual cost of carrying a five-year $75,000 mortgage has been cut by $3,300 per year since we were first elected.

Even the unemployment rate is lower today at 11 per cent compared to 11.2 per cent in 1984. That is after coming out of the worst economic downturn since the Great Depression of the 1930s.

Job creation features in the 1992 budget and the December statement are now beginning to work and we can see the evidence of that. There are 200,000 new full-time jobs since August of last year and 48,000 new jobs in March of this year. Between 1984 and 1990 more jobs were created in Canada than in all of the following countries combined: France, Sweden, Norway, Denmark, Greece, Ireland, New Zealand, Belgium, Switzerland, and Finland. They represent more than four times the population of Canada.

Since 1984 Canada has led all G-7 countries in percentage increase in job creation. According to the OECD, Canada will have the strongest percentage increase in jobs of any major industrialized nation this year and next.

This budget announces a further 10 per cent cut added to the 10 per cent cut in the December 1992 statement. This is to be followed by subsequent cuts of 15 per cent and a cut of 20 per cent for all advocacy groups.

I personally think they should all be at zero. In other words they should all be cut 100 per cent and not this piece-meal of 10, 10, 15 and 20 on top of the cuts we made previously. These advocacy groups should raise all of their money through their own membership and the Government of Canada should give them not one penny.

• (1220)

As it is now we discriminate in favour of liberal leftist feminist groups such as the National Action Committee on the Status of Women and we discriminate against other women's groups such as the conservative-minded group REAL Women. The truth is that all of these advocacy groups, whether right or left, should be cut 100 per cent.

Funding for multicultural groups should also be cut 100 per cent. They should do what other successful ethnic groups, such as the five German clubs in the Kitchener-Waterloo region have successfully done over the years, that is, raise their own money. Those five clubs have never asked for nor received a penny of federal government money and all of them are very successful and are growing.

We could then take the money saved and use some of it to enhance Canadian citizenship and pride in being a Canadian. That is exactly why all the immigrants come to Canada in the first place: to be Canadian citizens and to be a part of and live in and contribute to what is the best country in the world in which to live according to the United Nations.

Also, we could take some of this money saved and use it for a package to stimulate the building of new homes. I recommended such cuts and such a stimulative measure to the minister. I recommended a modest mortgage interest deductibility program limited to all first-time buyers of new homes for a 10-year period.

It would help young families to buy new homes. It would stimulate the construction industry. It would put unemployed manufacturing workers back to work rather than drawing on UI benefits and welfare. It would put them to work in housing construction and trades that could be quickly learned. Yes, it would cost money at first. Then in less than two years it would begin to pay it all back and all Canadians would reap the benefits.

Nevertheless I am very pleased to read the following from the budget:

> In response to representations on the equity capital needs of smaller, knowledge-based firms, we will also explore ways to develop mechanisms to encourage investors to support local companies and at the same time lend their expertise to help the companies succeed.

This part of the budget is in direct response to an idea developed in the Kitchener-Waterloo, Cambridge and Guelph area under the leadership of Mr. Larry Zepf which I and other area MPs had brought to the Minister of Finance. This must be added to other representations by the MPs from Kitchener-Waterloo, Cambridge and Guelph such as the welcome news of the faster write-offs of new high-tech equipment in this budget and the additional $230 million for Canadian companies undertaking research and development in the December statement. All will help job creation in our region and across Canada.

In conclusion, the best part of this budget and of the actions taken since 1984 is that because of a disciplined cutting of spending in every budget and after the worst recession since the Depression of the 1930s there is now finally some light at the end of the tunnel. We can now project, if we stay the course and only if we stay the course, the elimination of the annual deficit and we can begin to pay off on our national debt in four years' time.

We can do this without any new taxes. In fact, new taxes will deny consumers the ability to spend and to speed the recovery. If we did cut taxes the socialists in Toronto would just take away for themselves any tax cut we might make, as they did in 1992.

There are only two ways to reduce the deficit: higher revenues and lower spending. The right way to reduce the deficit is to cut spending. The right way to get higher revenues is to encourage economic growth. We cannot do that by raising taxes.

According to international think-tanks, investment agencies and the United Nations, if Canada continues the disciplined course it has been on since 1984 it is poised to lead the world in economic growth over the next few years. We have the opportunity, again if we stay the course and only if we stay the course to eliminate our deficit and to begin to pay down on our debt.

• (1225)

Mr. Guy H. Arseneault (Restigouche—Chaleur): I listened with interest to the hon. member's speech. Through you, Mr. Speaker, I must say to the hon. member that I am very concerned with this so-called budget.

After reading through it and listening to comments made by hon. members this morning, the media and experts in the media, I agree with them that there is no growth or employment strategy in the budget.

The government seems to be withdrawing from regional development. It is withdrawing from mining, tourism, forestry and plans on withdrawing from a number of other sectors in the near future.

Mr. Mills: It is ignoring small business.

Mr. Arseneault: It ignores small business completely. It uses the term "small business" in its documentation but there is no concrete solution to the problems that small businesses must now face and that is to have access to capital and new investments. There is nothing in this budget for that.

Mr. Tobin: Right on.

Mr. Mills: Right on.

Mr. Arseneault: The Conservative plan for economic renewal is a complete failure. This budget is yet another example of the fiscal mismanagement that has been exhibited by the government since it came to Parliament in 1984. The government has been a complete failure. Again this budget is evidence of that failure.

More specifically we heard the member brag about some of the cuts that are in this budget to multiculturalism and advocacy groups. With that philosophy in mind I am wondering why the hon. member did not recommend to others in his caucus to cut the $5.8 billion helicopter program with the savings going to address the human deficit that we have in this country.

What about the Prime Minister's luxury multimillion dollar trip? Why has the member not stood in his place and said that that trip should be cut? Here is the member's chance to answer. Let us cut.

Mr. Reimer: Mr. Speaker, through you to the member. The member has identified many different areas. Let me respond briefly to each of them in part.

Mr. Tobin: Start with the Prime Minister's trip.

Mr. Reimer: He talked about cuts in mining and tourism. The member will remember that he and I were on the same side of the issue in the referendum debate. We said that it was time for the federal government to start recognizing that some of these areas are better addressed by the provinces than by the federal government.

In part that is what we are beginning to do. We are beginning to say that that is where the major responsibility lies. Therefore the care and funding for that should begin to take place there. In part that is what is happening.

The member says that this budget ignores completely small business. What is amazing to me is how quickly the opposition forgets. The opposition forgot that in December we introduced an economic statement in the House that addressed specifically small business.

Mr. Mills: It is not working.

Mr. Reimer: The members opposite cry out and say that it is not working. Then let us look at job creation figures which I cited: 48,000 in this past month. If that were put on an annual basis the percentage of increase of job creation in Canada is remarkable and that comes right after a very devastating recession in Canada.

Those job creation figures that are occurring now, partly because of our measures in the 1992 budget and the small business actions taken in the December economic statement, are all beginning to bear fruit.

Mr. Mills: Say that the banks are loaning to small business. Say it in this House.

Mr. Reimer: Let me go on. The member talks about the helicopters. Those members like to put helicopters in opposition to every single item of the budget. They are always focusing on this one item but what they forget is that the helicopter purchase is within the budget of the DND. It has been there and is planned to go over a 13-year period. It is not all spent in one year. They forget to say all of the job benefits that come to Canada. They forget to say what benefits come to Canada because of the building of these 50 helicopters. They forget to say the long-term benefits that Canada will realize in developing people who have skills in research and development and in the high-tech development of equipment. They forget to say that if we in fact do that, then we will not repeat the problem that all of us as Canadians went through when we had to cancel the Avro project because no one was buying new aeroplanes. In a sense they want that repeated.

• (1230)

This is the last point that the member raised. The other member who wanted to ask a question wanted to be sure that I addressed this. The member referred to the luxury trips—those are his words—of the Prime Minister in his planned trip to Europe and to the Soviet Union.

There is one thing that I find really disturbing about comments such as this one. This is not just debate difference. This is in essence saying that we Canadians do not have any pride in our institutions. In essence it is saying that we Canadians have no pride in our Prime Minister and that we have no pride in Canada and that we do not want our Prime Minister to go to other countries to be the advocate for Canada.

Some hon. members: Oh, oh.

Mr. Reimer: Do you notice, Mr. Speaker, how they laugh? All the words of derision are all from the seats of their pants. When the American President flies in Air Force One, as the first aircraft is called for the United States, I am always impressed by one thing. At least Americans say: "The President, whether I voted for him or not, has the right to do that." When a Canadian does it, oh, no he is not allowed to do that. I think it is time that we had a little more pride in our institutions and in our country and then we would not use words like that.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I listened carefully to the hon. member's speech. At one point I consulted the public accounts, and I would like to correct the hon. member's erroneous and deplorable presentation of the facts.

[*English*]

In the public accounts report of 1984 it says that the total national accumulated debt is $157 billion and not the figure that he stated. He should check the Auditor General's report like I did. I would invite him to come with me to the Standing Committee on Public Accounts.

In 1992 the last public accounts report stated that the national debt is $423.1 billion. This is in 1992. If he had bothered to read the 1993 budget of the Minister of Finance he would have discovered that on page 19 the net national public debt is $491.2 billion. In other words, contrary to what he said at the beginning of his speech, his government managed to more than triple the national debt.

Mr. Arseneault: More than any other government since Confederation.

Mr. Reimer: Mr. Speaker, it is interesting how we on this side and the members on the opposite side like to use figures for our advantage.

Some hon. members: Oh, oh.

Mr. Reimer: Both we and they do it. They laugh when I do it but I am supposed to cry when they do it. Is that not correct?

It is interesting that when they ask a question they do not want an answer. They do not give any simple common courtesy as I did to the member. I was quiet and I listened. Now when I want to respond, they all yell. That tells me that if they really were interested they would keep quiet. However, no, they are not interested in the truth. They could not care less what the truth is and they just simply want to twist things to their advantage.

In trying to respond—

Mr. Bellemare: The member cannot respond unless he gets the books as I have offered to do.

• (1235)

The Acting Speaker (Mr. DeBlois): Order, please. I ask for the co-operation of all members. The public and I are having some difficulty hearing the hon. member. Some people watch our debate and I think they want to hear the hon. member.

Mr. Mills: Mr. Speaker, I have a point of order. I listened attentively to the member's remarks and I took notes. He did say in his opening remarks that the national debt was $206 billion.

The Acting Speaker (Mr. DeBlois): I regret that this is not a point of order.

[*Translation*]

This is not a point of order, but a matter for debate. The point was already raised by the hon. member for Gloucester. The hon. member is trying to give his version of the facts which he will when he has an opportunity to do so. I would ask hon. members to respect the views of their opponents. According to our parliamentary system, members on all sides should be able to hear a member's arguments without constant interruptions. I am sorry to have to state the obvious, but it is the basis of our parliamentary system. The hon. member for Kitchener.

[*English*]

Mr. Reimer: Mr. Speaker, I will quickly respond to the best of my knowledge. I will stand by my figure until I am shown that it is incorrect.

To the best of my knowledge and according to the research I have done and by all the figures I have looked at and have been told, the deficit we inherited in 1984 was $206 billion.

I stand by that figure and that is what I used in my speech. That is where I went from. What is it now? If I look at 1992-93 and the budget document that we have from yesterday, it is the figure that I used of $458 billion.

I stand by the figures I used. Therefore when I said that it has more than doubled during the Conservative time from 1984 to the present from $206 billion to $458 billion, that is correct. It has a little more than doubled.

When I said that it went 11 times higher during the Liberal period, I stand by that because those are the figures I have.

[*Translation*]

Mr. Bellemare: Mr. Speaker, I rise on a point of order. I realize the hon. member who just spoke and I do not have the same views, but the hon. member does not seem to agree with my figures taken from the public accounts reports from 1984 and 1992. I could even quote chapter and verse, but the hon. member referred to would not agree.

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member. In this House, all members may express their views, and it is up to the public to judge. It is not up to the Chair to determine who is right and who is wrong or to weigh arguments that are brought before the House. You have taken one position, the hon. member has taken another position. I think the public is able to make up its own mind. It is not up to the Chair to judge whether your source or the source quoted by the hon. member is right or wrong. The Chair notes what is said. It is all part of the debate. The Chair does not intend to judge the quality of the sources quoted in this House.

Mr. Bellemare: Mr. Speaker, when we refer to reports that were tabled in Parliament—as you know, I am a member of the public accounts committee—it is not right for a member to make statements that convey the exact opposite of the figures tabled by the Auditor General of Canada and the Comptroller General of Canada. The figures I received from these two sources, from the Auditor General of Canada and the Comptroller General of Canada—

The Acting Speaker (Mr. DeBlois): Order. Again, I am afraid I will have to cut short this point of order. When members on both sides of the House quote from public documents that were tabled here in the House, it is not up to the Chair to judge those documents. They exist, and they were tabled. You are referring to the public accounts, and the hon. member is referring to the budget speech. The Speaker is the servant of the House and, as such, listens carefully to the views of hon. members, but it is not up to him to say who is right. When a vote is held, hon. members can render their own verdict, speaking on behalf of their constituents and the people who support them.

• (1240)

Mr. Bellemare: I rise on a question of privilege, Mr. Speaker.

Is the hon. member insinuating that the Comptroller General of Canada, that the Auditor General of Canada to whom I just spoke on the telephone, and I, a member of the public accounts committee, lied to the House, or would the hon. member agree he made a mistake by not checking his sources?

The Acting Speaker (Mr. DeBlois): I am afraid I will have to be firm. This is not a point of order nor a question of privilege. We are talking about views that were expressed. As far as I know, the hon. member did not say his opponent was a liar, and there is no reason why the Chair should demand a withdrawal of any kind. Both members have expressed different views, and that is allowed according to the rules of parliamentary and democratic debate.

[*English*]

Mr. Arseneault: I rise on a point of order, Mr. Speaker. I do not want to prolong this, but in light of the comments that have been made and exchanged between the two members and since the comptroller and the Auditor General seem to be criticizing the Minister of Finance and vice versa, I wonder if it would not be wise for the Minister of Finance to withdraw his budget in the meantime to check the figures.

The Acting Speaker (Mr. DeBlois): This is not a point of order.

[*Translation*]

I am sorry, but I cannot go on repeating the same arguments, and I hope this will be the end of it. If members have different views, they can express those views in the course of this debate. There is plenty of room and time for members to express their points of view.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I am happy to participate in this debate. Let me say that I was quite surprised by some of the comments made by the member for Kitchener. Even though he sits on that side, he is known to many of us in this House as generally having some degree of common sense.

I am certain that the people of Kitchener would be quite surprised to hear the member, albeit in a difficult situation, less than 24 hours after a so-called budget that preached the virtues of restraint and everybody doing their fair share, defending as appropriate, wrapping in the flag of patriotism, issuing a call to arms, the Prime Minister's first class, paid, goodbye holiday trip around the world, through Europe and the United States at a cost of millions of dollars. He says it is an appropriate gesture and all Canadians ought to stand, face the flag, salute and feel their heart bursting with pride as the Prime Minister really shows how Canada can spend lavishly at a time of restraint.

I say to the member with great respect that I suspect the people of Kitchener will not appreciate the member for Kitchener taking that view in this regard.

An hon. member: Hard working people.

Mr. Tobin: Let me say to the member as well that I hope the people of Kitchener are watching today. If some are watching, I hope they will call up the *Kitchener-Waterloo Record*, the newspaper in Kitchener and ask it to request a copy of the member's comments.

I do not think they will be impressed with the member's comments at a time of restraint when governments all across the country are putting cuts in place. We are within days of an historical vote in the Soviet Union where the people showed they were committed to democracy. They said yes to Yeltsin, yes to reform, yes to staying the course and not going back to the old ways of the old communist government and the cold war. A massive number, 70 per cent, surprised the planet and said yes to staying the course, yet this government would bring in a budget and keep in place a $6 billion expenditure for cold war helicopters.

Only a few weeks ago the minister of defence was saying: "But we have to keep this expense in place because we do not know what is going to happen in the Soviet Union. Yeltsin may be pushed out. The people may go back to a communist regime."

• (1245)

I do not think anybody on the planet was prepared. A scant few days ago the results came in with a margin of greater than 70 per cent. The hard-pressed people of the Soviet Union, living in difficult circumstances, making great sacrifices and doing without nevertheless embraced democracy by an overwhelming margin in North American terms, an unheard of margin. They wrapped their arms around the concept of democracy and reform and said they would stay the course.

What is Canada's answer to that historic vote? Our answer is to bring in a budget in which we keep in place a $6 billion cold war expenditure. What is the member's comment opposite? It is an appropriate expenditure. We need to spend those billions to watch our enemy, the Soviet Union. Even the United States, the arch enemy of the old and gone Soviet empire has chosen to upgrade over 500 helicopters in its helicopter fleet. Two hundred and thirty nine search and rescue style helicopters have been upgraded at a cost of $10 million each. Over 300 Chinooks have been upgraded by the United States but Canada alone in the world is going to spend nearly $6 billion on helicopters we do not need.

The company in question, Westland Augusta is bankrupt. It has been taken over by an Italian crown corporation. The president of the company has been arrested and charged in a bribery scandal and is now before the courts in Europe. The helicopter in question crashed, killing all the crew and the remaining prototypes have been grounded pending an investigation. Yet this government insists on proceeding—

An hon. member: That is right.

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member for South Shore.

Mr. McCreath: Mr. Speaker, I am sure it was inadvertent on the part of my hon. friend because I know he would not want to mislead the House when he said the type of helicopter we are buying crashed. He refers to a $6 billion contract when he knows perfectly well that it is a $4.4 billion contract. These points have been frequently—

The Acting Speaker (Mr. DeBlois): I am sorry but it is not a question of order.

Mr. Mills: Gucci helicopters.

Mr. Tobin: Not only was it not a point of order, it did not even make any sense. It is a $5.8 billion expenditure.

Mrs. Sparrow: It's $4.4 billion and you know it. Your nose is growing.

Mr. Tobin: The hon. member opposite says: "No, no, you cannot say $6 billion, it is only $5.8 billion." Let me tell you about government projections. According to its own budget papers in 1991–92 this government projected a deficit this year of $27.5 billion, which is why it cannot be taken seriously.

Do you know how much it was off by? Can you guess how much it was off by? Was it off by a mere billion? Was it $2 billion?

Some hon. members: More, more, more.

Mr. Tobin: Was it $3 billion? Was it $4 billion; $5 billion; $6 billion? Was it $7 billion? Was it $8 billion? It was off by a full $9 billion.

Some hon. members: How much?

Mr. Tobin: It was off by $9 billion. This government projected in its last full budget that it would create in the intervening period to this day an additional 500,000 new jobs. How much do you think it was off by? Was it off by 100,000, 300,000, 500,000 or 700,000? It was off by 800,000 because it did not create 500,000 jobs. In the intervening period, the economy has actually lost an additional 300,000 jobs.

How can anybody take the projections of this Minister of Finance and this government seriously?

This budget has been printed on recycled paper and so it should be. It is a recycled document. Only an excellent, first class, used car salesman could call this document a new model this year. This is old, used, abandoned, the tires are flat and the gas tank is empty.

• (1250)

Canadians expected a game plan. They expected the government to invite them to engage in a crusade to rebuild, reinvigorate this country and make it competitive to ensure we can challenge the world and earn our fair share of this planet's wealth. They were prepared to do their part.

I have just spent weeks in the province of Newfoundland knocking on the doors of some of the poorest people in this country. Do you know what they said? They said governments cannot spend beyond their means. They are not putting their hands out and saying "spend, spend, spend"; they are saying "be responsible." They are saying "be competent"; they are saying "give us a game plan and we will do our part. Invite us to participate in rebuilding this country and restoring confidence. We will do our part."

Then the government yesterday produced this thin, mean, tired, worn out, transparently empty, political patronizing piece of paper called a budget that invites people to just close their eyes to the disaster this government has visited upon this country.

The ship of state of Canada is in the middle of the ocean. The winds are high, the waves are high and she is being battered to and fro. What this ship needs is a steady hand on the wheel. What do we have instead? We have a tired Tory government telling the passengers, the population of Canada, to go back to sleep, that the ship is on course. The course is disaster. This is not just my opinion or the opinion of the members opposite. It is not a journalist's opinion nor the public's opinion. The budget documents tell the story.

What do they say? The Auditor General, as my colleague has made clear, pointed out that in 1984 the public debt of Canada was $157 billion. From the time the country was founded until 1984, 117 years, the total debt acquired in building the infrastructure of the country—the highways, schools, universities, towns, transportation systems—was $157 billion. With that we built and created one of the greatest nations on earth.

What has happened in the intervening nine years? Are there any more highways? Are there any more transportation systems? Have any more great cities been created out of dry land on the Atlantic, on the prairies, in the heartland? No. What has happened to the deficit in the intervening years?

Let us look right in the budget document. All members pick up their documents and turn to page 63. It is right in the document. From the $157 billion it cost to build an entire nation over 117 years, in nine years this

government drove the deficit to $458.6 billion at the end of this fiscal year.

An hon. member: With over three million people out of work.

Mr. Tobin: And what does it give us for that? What new infrastructure, what new population, what new cities, what new highways, what new hospitals, what new industries?

Mr. Speaker, you have not heard the best part yet. I know your curiosity is now piqued. It is telling us that if we re-elect it four years from now—page 62 of the document—it will add another $100 billion to the national debt. During the life of another government if it is re-elected, the national debt will go up to $563.2 billion, another $105 billion. That is its plan. That is what it is putting on paper. That is what it is admitting to. If everything goes fantastically well it will increase the debt by only another $105 billion.

That is the game plan opposite. This is the party that campaigned on the notion of fiscal responsibility.

Let us look at another page in the budget because I do not want to give you my opinion. You might think it is kind of shaded, given that I would like nothing more than to see this crowd booted out. Let us look at the budget document itself. Let us turn now to page 26. Members of the public who do not have their copy yet should write down the number so they can look at it later when they do have a copy of the budget. On page 26 there is an incredible admission:

• (1255)

> Canada's gross international liabilities are partly offset by foreign assets held by Canadians. Nevertheless, relative to the size of the economy, Canada is now by far the most indebted of the major industrial countries. Further, Canada's net foreign liabilities reached a post-war record in 1992—43.8 per cent of GDP.

The budget document says that this government has put Canada in the position where we are now the largest debtor nation in the entire industrialized world and that under this government we set a record in 1992. What was the record? We have a post-war record whereby 43.8 per cent of our GDP is our foreign liability. This is our foreign-held debt or Canadian paper held in foreign hands. Of that total, 40 per cent is held by Japan.

I said it was a record. When was the previous record? Let me read on in the document:

> Its previous peak was 42 per cent in 1961.

What party was in power in 1961? It was the last time the Tories were in power under Mr. Diefenbaker.

All the rhetoric in the world by the member for Kitchener and by every happy and well-trained member opposite in the Conservative Party will not change the facts contained in their government's own budget document. The legacy of this government is to bring Canada to the point where Canada under this administration in nine years has almost tripled the previous debt piled up in the first 117 years of Confederation and where Canada in the western industrialized world is the largest—bar none and second to none—debtor nation on the planet. One can think of all the countries one wants to.

The Conservatives standing up and saying with that record to the people of Canada: "Re-elect us and we will pile on another $100 billion of debt," is like the pyromaniac arrested with the match in his hand who says: "Sorry fellows, I was just kidding. I would like now to apply to be fire chief." If it were not so tragic and so serious it would be laughable.

I do not even know why we had a budget yesterday. It was a phoney budget and a phoney exercise. There were no changes in the fiscal arrangements between the federal and provincial governments, no changes in the corporate tax rate, no changes in the personal income tax rate, no initiatives to create jobs or no long-term plans to come to grips with the annual deficit or the long-term debt.

There was only one thing it did that was of any substance and only one way in which it tipped its hand. It did two things. The member for St. John's East cannot be pleased with this. I notice that he is looking distinctly uncomfortable about it. I refer to page 53 in the book. The government indicated that it is not going to renew federal-provincial agreements in the areas of forestry and mining. There will be no more federal-provincial co-operation in forestry or mining. That is important to my area of Corner Brook, Newfoundland, to central Newfoundland, to western Newfoundland and to the forestry sector all across Canada. This sector provides one in every 10 Canadian jobs.

It wiped out and happily said goodbye to the mining sector. This is also important to my part of the country and to my riding in particular and to the Baie Verte peninsula.

What else was said? It was said that the government will be reviewing the economic and regional development agreements in other sectors as they expire. This includes economic and regional development agreements in agriculture, communications, the environment, fisheries, transportation, industrial development, industrial innovation and tourism. In every area and far-flung region of this country those who have the least among us seek to rebuild their infrastructure, add value to their industrial base and take their natural resource area and build on it to create new wealth. In every area where those who have the least reach out their hands in a sense of co-operation, partnership and building, this federal government is going to withdraw the federal hand and walk away and abandon the regions of Canada. That is the game plan and that statement in the budget makes a mockery of a statement yesterday or two days ago by the Minister of National Defence in Atlantic Canada when she said that she wanted to put more money into regional development. It is an absolute farce.

• (1300)

There is one other important matter. The defence minister said: "If I am elected as leader of the Conservative Party I will wipe out the deficit in five years." The Minister of the Environment said: "If I am elected as leader of the Conservative Party I will wipe out the deficit in four years." That is the claim.

Again, let us look at the budget papers. We want to have an objective opinion. According to the budget papers, the Minister of Finance is forecasting that—even if we believe all of his blown up, hyperventilated, exaggerated claims to growth and productivity which I do not not of course having had experience with believing those things in the past—there will be at least a $14 billion annual deficit on the date by which the Minister of the Environment says we will have no deficit. There will be at least an $8 billion annual deficit on the date by which the Minister of National Defence claims she will wipe out the deficit.

If the leadership candidates for the Conservative Party cannot get their story straight with their own Minister of Finance who is telling us that we cannot wipe out the debt in five years or in four years despite his best efforts, then it is time for Tory leadership candidates to explain precisely to Canadians how they are going to eliminate the debt. Let the Minister of National Defence tell us whether it is old age security, medicare or education funding. What basic programs important to Canadians are going to be wiped out to pay for helicopters and to keep a campaign commitment that was given by someone who had not thought it through?

The ordinary people of Canada, the people who sit in their T-shirts with beers in their hands and with whom the Minister of National Defence cannot relate, know bull when they see it. This budget and these campaign promises both belong in the same category. I cannot say the word in the House, Mr. Speaker. Let me just say this. The people of Canada know a phoney exercise when they see it. It takes a face like a horse's you know what to get up and try to present this budget to the people of Canada as a serious exercise in regulating and managing our economy. This is a shameful and ridiculous exercise that we have engaged in with members opposite.

Mr. John Reimer (Kitchener): Mr. Speaker, I have a question for the member for Humber—St. Barbe—Baie Verte.

Before I get into the question and the reference to the pages that he was referring to I would like to talk about that little debate we had on budget figures and why I used $206 billion.

Look at the public accounts for 1991-92 on page 1.2 and table 1.1 that is headed deficit and net debt: "In the year ended March 31, 1984 the net debt was $167.8 billion." I will read further on the same page: "From April 1, 1984 to March 31, 1985 the net debt was $206.3 billion." This is the figure I used.

The reason I used the figure $206.3 billion from the public accounts was that the election was on September 4, 1984. Therefore, I should use the numbers that go after that or are in that current fiscal year. That is the reason I used it.

When I said I stand by the number of $206 billion then I have to use the number of $206 billion because that is the figure in the fiscal year in which we came in. I cannot

go to the previous year. I have to use the $206 billion. I have no other choice.

I think in the debate we should be careful why we use certain numbers. The member was right to quote $157 billion—I think it was $167 billion—for the previous year. I have no quarrel with that. However, I have to use the number from the fiscal year in which we were elected and that was $206 billion.

I have a few questions. The first question is with regard to page 62.

• (1305)

I have to thank the member, through you Mr. Speaker, for his kind remarks to me. He was very gracious. In trying to be gracious to the member I must say that I enjoy the play acting he does every day in Question Period in the House. I enjoy his choice of words. I think we all do. I think some of us who do not come from Newfoundland envy those from Newfoundland. They have a remarkable ability and use of the English language. We enjoy listening to them and we have just had a good display of that here today. I do not know how much we learned. There was a tremendous amount of heat but I am not sure there was a lot of light.

My question is this. On page 62 he took us through the line of net public debt, which is $458 billion for this year through to $563 billion for 1997–98. That is correct. He was right.

Guess what? I want to ask this question through you, Mr. Speaker. Why did the member ignore the next line? He said nothing about it. That line shows that the financial requirements excluding foreign exchange will go from minus $34.4 billion this year to $1 billion in 1997–98. Why did the member leave that line out?

My second question is this. He quoted page 26 and said: "Look at the damaging things that are said. Canada is now by far the most indebted of the major industrial countries." That is true and exactly right.

Why is it that for nine budgets and five economic statements where we tried to cut spending the member voted against it every single time? Why did he do that? Why did he not join us in cutting the spending? Why did he not support us in cutting the spending?

My last question—

The Acting Speaker (Mr. DeBlois): Time is running out. In all fairness I have to give the floor to the hon. member.

Mr. Tobin: Mr. Speaker, it is obvious to some people that the way to avoid hearing the truth expressed a second time is to make the noise of a stick in an empty barrel and keep pounding away until the clock runs out.

I frankly do not know what the member's great debating point was. If the member stands on his feet and says: "We agree that the deficit or the debt of Canada is going to increase by $105 billion in the next four year if our government is re-elected; there is no argument," then I do not know where he thinks the great debating point in that is.

If he agrees with the budget documents that the annual deficit cannot be wiped out, as is claimed by the two leadership candidates, then I do not know what his argument is.

The member talked about Newfoundlanders having a great—I do not know if it is true or untrue—ability to express themselves but I will say one thing. Where I come from we do not need to try to find semantic arguments in numbers to say things. The people of Canada know when their nation is in trouble.

The people of Canada not just in Newfoundland but all across this country want to do something about it. They want to participate in a plan. We are profoundly disappointed that there is no plan.

What was the great debating point in having the member note that Canada is the largest debtor nation in the world? Why did we not vote with the government? It is because we believed, as we do today, that the government's approach was wrong. The government's approach was to surrender in the face of unemployment.

We do not believe in the so-called war against inflation and that 1.6 million unemployed across this country or nearly three million underemployed are acceptable losses—to use a Vietnam kind of wording—in the war against inflation. We have been saying that for a number of years. We have not been listened to.

This economic experiment where all bend down before the altar of so-called unshackled capitalism as proposed by this government has failed. It has failed.

In Great Britain where Margaret Thatcher held sway the country is in a mess. In a recent Gallup poll more than 50 per cent of the people of Great Britain said that if they had the opportunity they would leave Great Britain.

In the United States where Ronald Reagan held sway with his so-called revolution the debt of that country has been driven through the roof. Those who were fundamentally dishonest have profited. The savings and loans scandal was unvarnished greed where people took the pension funds, the retirement funds and the savings of the innocent.

They created phoney corporations and this was all done legally under the Republican's new U.S. law. They ripped off hundreds of millions and billions. They ran with the cash and left innocent people bankrupt. The American government bailed them out. That same right wing philosophy prevailed here and got us in trouble.

• (1310)

We bailed out the banks. We are spending almost $6 billion on helicopters because some lobbyist is making a mint off the commission but we will not put one nickel on the table to put an unemployed Canadian back to work.

The government will not even ask our people who are begging for a chance to participate with us in a crusade for our country. Canadians know this is a great country. They just want a government and a plan that knows it as well. They want a chance to rebuild this great land.

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, we hear so much being spoken about the helicopters and the cost of these helicopters. Opposition members do not take into account that the amount of money which is $4.6 billion in 1992 dollars will be spent over 13 years. That is quite different from what is being quoted all the time.

There are 800 helicopters presently on order in the world and Canada will have 10 per cent of every helicopter built. It will also create 45,000 person-year jobs for Canadians. I think this is something we have to put down. There is job creation and that is very important.

Mr. Tobin: Mr. Speaker, I know the hon. member made her comments sincerely but I want to tell her there are not 800 helicopters on order world-wide.

Mrs. Sparrow: Yes, there are.

Mr. Tobin: No, there are not.

Mrs. Sparrow: That is not true.

Mr. Tobin: I am giving you the facts. There are 70 on order world-wide and 50 were ordered by Canada alone. We are ordering more of those helicopters than all the rest of the planet combined, including the two countries that are building them. The member opposite, whom I have known for a long time, should check her facts before she says it is not true.

Members opposite are sensitive about these helicopters because they are going to bring this party and this government crashing back down to earth.

Canadians know a multimillion dollar job to fill the pockets of lobbyists when they see it. The only people who are going to profit from this are Tory lobbyists.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I hope the rest of the debate can be conducted without these histrionics because I do not think they are helpful to Canadians who are concerned, as I know a number of my friends opposite are, where we are going *vis-à-vis* the deficit and the debt. People are interested in the future of our country want to see a responsible method taken to reduce the deficit and the debt. They want to see something concrete and some real plans.

I regret that while a lot is being said on the other side about what is wrong with this budget, I see very little productive or positive comments coming from them and no suggestion or plan that would give Canadians confidence. The fact of the matter is they do not have a plan and they do not have any new ideas.

Mr. Milliken: Well neither do you in this budget. This is all old stuff. Nobody else thinks this is good either.

Mrs. Dobbie: I would say that the budget of April 26, 1993 is now before us and this is what we are dealing with, not old stuff. We are dealing with the future and what is going on in the country today.

It is no surprise—you have been listening to it all day—when I say the budget has not met with universal approval. Canada would not be Canada if it had and the opposition would not be the opposition if it approved of anything the government did because members of the opposition are very hungry for power these days.

Although they do not have any real plan or any real idea of what they might do with that power, we can smell the greed and hunger over there. It is affecting and impacting their judgment and it often impacts on what they are saying.

While it is easy for the opposition to criticize, I think it would be much more difficult to be in the finance minister's resoled shoes. The hon. finance minister did not go out and buy a new pair of shoes in honour of what is happening these days in the economy. He had his current shoes resoled. I would say it is much more difficult to be in his shoes than it is to sit on the other side of the House and criticize indiscriminately simply for the sake of opposing.

I really want to extend my very sympathetic understanding to my colleague, the hon. Minister of Finance. He had some very tough choices to make and he was faced with bringing down a budget very close to an election and of course close to a change in leadership. He is doing this at a time when our options are so few. I congratulate him, as my colleague the Minister of the Environment pointed out, for setting the table for the next leadership convention and the election that is coming. He is setting the table for a renewed mandate for the Conservative government. I think he has done an admirable job under these circumstances and once again I extend my congratulations to him.

• (1315)

The opposition has made a great to-do this morning about the fact it did not see anything in the budget to stimulate the economy. I want to set the record straight by pointing out that this budget is an adjunct to the financial statement that was made in December which contained many provisions to stimulate the economy. I see my friend opposite does not want to hear this so he is leaving. He is blocking out what I say and ignoring it because the truth is very difficult for him to take. I can understand that. Nevertheless I am going to say this anyway for his edification. Perhaps he will be good enough to read the record later.

We have taken measures to support the recovery and let me just list some of them. There has been a reduction in the personal income surtax which is already in effect. It has put more money in the pockets of Canadians in those provinces that did not take that money back and use it for their own purposes. Certainly in my province, Manitoba, the tax reduction was allowed to stand and Manitobans now have more money as a result of the initiative taken by the federal government.

We have also introduced a two-year special home-buyer's plan which is in effect. There have been other things like a reduction in manufacturing and processing tax rates and an increase in the CCA for manufacturing and processing machinery and equipment. We have redirected capital gains exemptions. We have streamlined research and development tax credits and made changes to the withholding tax.

We have done a number of other things and I will not go into all of the detail, but just in case my friends opposite want to bring this up I can tell them that much has been done to stimulate the recovery in Canada and it is paying off. We are seeing the impact now. The economy is growing and has been doing so for seven consecutive quarters. Clearly we are past the recession and now on to a steady rate of growth.

In this budget there is a long list of measures that will be very positive for Canada. We will save $3.8 billion in this fiscal year of 1993-94 and this is important for the short term. We will not raise taxes or add new taxes. We will further simplify the GST remittance system for small businesses which is important to their competitiveness and their ability to reduce the cost of doing business.

One of the highlights in the non-monetary measures carried in this budget is the further reduction of regulations so small businesses will be able to find a level playing-field and remove obstacles to their competitiveness. The happy result is that in addition to saving small business money we are also going to save the taxpayer money because the cost of administration will come down when, out of the 700 regulations we examine, we abandon one out of every four. That is the kind of positive initiative that organizations like the Chamber of Commerce and the Canadian Council of National Business have been requesting for a long time. They know

that the paper burden and regulation for the sake of regulation reduce Canada's competitive position and make it difficult for us to take full advantage of the economic recovery opportunities that are out there waiting for us as we pull out of this recession.

We will also do something that will help individuals. I have had many people talk to me about the tax system that requires quarterly tax instalments. That will now be modified and about 300,000 tax filers will be exempt from having to file their tax claims on a quarterly basis. That will affect mainly seniors with lower incomes. At the same time it will also save us some money.

In addition to that we are going to send out GST rebates twice a year instead of four times a year. That will reduce the administrative costs to the tune of about $7.5 million a year. All of these sensible, careful measures are designed to improve our competitive position and reduce the costs of budgeting and administering our government. This is just a small example of the many progressive measures contained in this budget and I heartily applaud them.

• (1320)

I also applaud the winding up of eight redundant government agencies and the merging of four more. I urge that the planned privatization of the targeted Crown corporations be accomplished with all good haste because that will save us even more money.

I am also delighted to see the rationalization of program spending in the provincial jurisdictions of mining and forestry. These are sensible measures that will make this government more efficient and more responsive to the needs of the 1990s. It is time the federal government got out of provincial jurisdiction because we simply cannot afford to duplicate services and compete with one another when there is only one taxpayer out there and only one tax dollar to spend.

In spite of all this, I must say that given the national psyche that currently understands the very real imperatives of the debt, I think with some regret of what my hon. colleague might have done if the circumstances had been different and we were not at the end of a mandate, for example.

I think of the directions a new leader must be prepared to give the finance minister as early as this fall after the coming election. Real change will have to take place in the way we do the business of government, not just federally here in Ottawa but at all levels of government. Real change will also have to take place in the way people look at government and what they expect of government. Perhaps some of our sacred cows will have to be led to the slaughterhouse as we look for ways to cope with the deficit and debt.

Governments can no longer be all things to all people. We can no longer set ourselves up as our brother's keeper, taking care of people's concerns from the cradle to the grave, because we simply do not have the resources to do it. The prosperity that we thought we were enjoying in the 1970s and the early 1980s was a false prosperity based on borrowing that we did on our children's future. That must now come to an end as it always ultimately had to.

Now we must change our way of doing things and our way of looking at things. Canadians must take responsibility for their own destinies. They must understand it is not a question of what their government can do for them. The question is: what is my responsibility to myself, my participation in democracy and my fellow Canadians? How productive can I be? What can I contribute? Because it is through contribution, productivity and getting involved in helping out that we realize the full benefit of our citizenship in this wonderful country. Attitudes will have to change.

While I applaud the work of my colleague, the Minister of Finance, I want to pause for a moment to consider other possibilities. For example, this budget allows the provincial governments to continue to increase their spending at a rate of 4 per cent per year while the federal government will restrain its increases to 1.5 per cent a year, even though we expect inflation to run somewhere between 1.5 per cent and 2.5 per cent. That means no real spending federally and no real spending growth.

I ask Canadians to consider whether or not the provincial governments can continue to increase their expenditures at the rate of 4 per cent growth when we are facing this very serious and real situation *vis-à-vis* our total national debt. I think the provinces must take responsibility along with the federal government and the

municipalities and come together to work on these problems as a single unit rather than each going its own way because that is taking us to perdition.

If we had reduced the provincial transfers to the same rate of growth as the rest of our budget we would save $9 billion over the next five years. Coincidentally, that is about the same amount as our budgetary shortfall this year in terms of our expectations of revenues. It is a serious amount of money and I think that while we are dealing with this year's budget, if we look over the next five years I would suggest to provincial finance ministers that they begin to examine ways to cut their own expenditures in very real terms so they do not have to accept growth in transfer payments from the taxpayer who is sending part of his money to the federal government. At some point or other, if we do not get this under control, tax increases will be absolutely necessary and nobody wants that to happen, least of all the federal government.

• (1325)

When the finance ministers come together, as the federal Minister of Finance has pledged they will do, and I think that is a very positive thing, they are going to be forced to come to the very same conclusion that most Canadians have already reached. That is that there is only one taxpayer, regardless of how many levels of government there are, and the taxpayer is saying: "Enough is enough. Get your fiscal house in order. Do it decisively and do it now."

The budget proposes to cut grants and contributions 10 per cent this year and 10 per cent next year. It promises further reductions of 15 per cent in 1995 and 1996 and 20 per cent thereafter. That is very good and positive.

At the same time we are exempting a long list of programs such as transfers for individuals receiving veterans and Old Age Security benefits, the Canadian Jobs Strategy, selected native programs, famine relief and programs for the disabled. This is gentle and humane treatment as indeed it should be because it is part of our job to look after the vulnerable.

In addition to that we are exempting granting agencies, such as the Canada Council. Their budgets, as well as the budgets of university granting councils will be kept to the same rate of increase, 1.5 per cent, as other government spending.

In addition, grants and contributions affecting science and technology will receive favourable treatment. I approve of that because education has to be one of our highest priorities. In fact, all of these things are high on our priority list and I respect the thinking that went into the exemptions.

However we must begin to think about our future priorities and how they will be funded. We have to make some decisions about whether or not we as Canadians are willing to give up some of our cherished but perhaps non-essential programs in order to preserve funding for things like education and health.

I noticed as the debate proceeded this morning and members opposite stood in their places and spoke, that while they had a great deal of criticism on the cuts made in this particular budget and the measures that have been taken, they had very little to offer as alternatives. They did not tell us what programs they would cut or how they would decrease their expenditures without hurting individuals.

People across the country are calling out for even deeper cuts because they are concerned about what is going to happen in the future. They are demanding that contributions to advocacy groups and other special interest groups be eliminated altogether. People are telling us that unless a program can be shown to have a net benefit to a large number of Canadians, we should not be funding it. People are saying that we all have to become more self-reliant, we have to become more independent. People are also saying that they are really tired of robbing Peter to pay an ever-greedy and hungry Paul whose rich diet is making him too heavy to carry himself alone.

I know the finance minister is a very kind and gentle man who wants to ease the pain of these cuts by making them gradually. That is why the bulk of the announced savings of $30 billion is scheduled to occur in years three, four and five. We are delighted, as I said before, to learn that there will be no new taxes and no additional taxes as a result of this budget.

I am still concerned however that our debt will continue to grow. Even with a $30 billion savings by 1997-98 we will see the debt grow to over $563 billion. This is in spite of the good news that the deficit will be reduced by then to $8 billion on an anticipated gross domestic product of $928 billion.

I believe it is very much a question of priorities that Canadians must continue to address. In this budget, for example, we speak about constraining annual growth in government spending on international assistance by limiting increases to 1.5 per cent beginning in 1994-95. That is after taking into account the 10 per cent decreases announced in December for the coming year of 1993-94. As I said earlier, famine relief is exempted. Given the very real difficulties that many countries face, this move may seem to be somewhat harsh and it certainly is regrettable. However, I would suggest that if we do not get our finances in order we will no longer be able to borrow the money with which to support these initiatives.

• (1330)

On balance, this budget is a lot less painful than many of us had hoped and perhaps others had feared. It is true that the full impact has not yet been analysed. After all, $3.9 billion in expenditure cuts is not insignificant. Of course, $30 billion is even more significant. I must emphasize the importance of meeting and even exceeding these expenditure reductions in the coming five years.

Experience tells us that the fine people over at the Department of Finance have a very long history of budgetary optimism. They do not have unfortunately a particularly good record of predicting revenues.

I urge caution in accepting the premises that tell us to expect a growth rate of 4.6 per cent in 1994. I have not crunched the numbers, but I question the wisdom of bucking the consensus of private sector outlooks by rejecting a growth projection of 4 per cent and the premise that expects the gap between real output to narrow to 5.5 per cent by 1994 and close to 1.75 per cent by 1998.

There are some really big questions we have to ask ourselves: will inflation average out at 1.5 per cent over the medium term? Will employment fall to 7.5 per cent by the end of 1998? These are some concerns that I would like to voice as we look optimistically ahead on a five-year plan. There are just too many unknowns and intangibles, not the least of which is an unprecedented acceleration in technological change and a bulge in the age of the work force which was trained to meet employment patterns of two and three decades ago.

We must focus our minds on the changes we are making for this year and ask if they are going to save our credibility on the international money markets. That is what is important right now. I suggest that they are.

Perhaps the most important message sent yesterday is the one that promises an all-out attempt by the federal government to find a co-operative approach with the provinces in future budget setting. No government can act in isolation of others in the 1990s. Our competitive position will depend on our ability to act cohesively, to tackle our problems together as Canadians and not as a rag-tag assortment of political entities acting as though they were independent of one another and of the federal government. We must all work together to keep our country whole.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I would have expected my colleague to support her government's budget. I do not criticize that, but she did ask one question: what will the opposition do besides criticize? We suggested that we could cancel the helicopter project and perhaps invest in an infrastructure program for improving the sewers, roads and the other things of our cities and towns that improve the quality of life.

I want to ask my colleague some specific questions. What will this budget do for the 1.6 million unemployed Canadians, for the 2.7 million Canadians receiving social assistance, for the more than two million Canadians using food banks? I do not say that critically. It is an important question to me. How will this help them? What will it do for the middle class which is really the motor of the Canadian economy? If the middle class is suffering, then clearly the economic performance of the country will not be as good as it might be.

My final question is more specific to Manitoba. What will be the impact of this budget with respect to the cuts being imposed on regional development, the cuts with respect to VIA Rail, the cuts with respect to CBC, the cuts with respect to the mining and forestry agreements? These will all have negative job impacts in Manitoba. I am wondering if my hon. colleague would care to respond to those specific questions.

Mrs. Dobbie: Mr. Speaker, I always appreciate the intelligent questions of my colleague opposite. I will try to answer them; I hope I got them all down.

He asked about the helicopters and he talked about infrastructure spending. I suggest to my hon. colleague that in fact helicopters are part of our infrastructure. Our ability to protect our coastal waters, to manage search and rescue missions, to ensure that we have integrity in the north and sovereignty are dependent on our ability to have helicopters that do not fall out of the sky because they have aged beyond the point of no return. Spending on helicopters is spending on part of the infrastructure. I would point out as my colleague mentioned not that long ago, that the money which is being spent on the helicopters, some $4.5 billion, is not being spent in one year. It is being spent over a period of 13 years. I think the impact on the budget is far less important than people may believe.

• (1335)

The hon. member also asked what we are doing to help with the question of employment. That is a very difficult and serious question. There are many pressures right now on the marketplace. They have to do not just with the fact that we have gone through a recession, but that we are going through some fundamental restructuring in our economy and some fundamental restructuring in the way we do business throughout the world. Part of that has to do with technological change as well as the economic restructuring. Another part of it has to do here in Canada with the fact that we have a lot more competition for jobs. Forty-five per cent of women work and that places competition and competitive stresses on traditional entrant into the work force.

We have taken measures in the December economic statement to ensure that the economy will move forward in a productive way and that recovery will gather momentum. If these predictions are correct—and I do have the same doubts I am sure my hon. friend does about predictions for five years—but if correct, unemployment will be reduced by 7.5 per cent at the end of five years. I assure the hon. member that if this government is in office it will continue to do everything it can to accelerate the pace of that change.

The hon. member also asked what this budget will do for the middle class. Again, making sure that we have our fiscal house in order is part of ensuring that our middle class, which is the largest contributor to our coffers, has an infrastructure, a government in place that is rational and controls its deficits and leaves some options and some choices open.

As far as real spending on programs to improve conditions for the unemployed or improve conditions for the middle class, my friend must know that the options right now are extremely limited. It is a choice again of from whom do you steal to pay the other fellow. I suggest that getting the economy in order and making sure that jobs are being created, as in fact they are on a daily basis as the economy begins to grow, will do more for the middle class and the unemployed than any artificial stimulus the government might create.

Finally, the hon. member asks about cuts in Manitoba. Last night that question was asked in my presence and in the presence of Mr. Manness, the minister of finance in Manitoba. His response was the best one. He said clearly that as long as these expenditure reductions were fairly spread across the provinces he had no complaint because all of us must do our part.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I have a question prefaced by a couple of quick comments for the member for Winnipeg South. I understand that we have differing views of priorities and what is right, coming from different philosophies, but we accept those even though we may argue about them from time to time.

In one case in order to defend what I firmly believe is the indefensible in this budget, the member said that the federal government was getting out of the forestry agreements because it was an example of governments competing with each other. That seemed to be the suggestion.

Maybe coming from Winnipeg she is not as aware as some other members of the nature of these agreements. They started back in 1983 I think with John Roberts in the former Liberal administration. It was a one-year program, $55 million a year from the federal government and $55 million from the province in the case of B.C.

When the present government assumed office in 1984, the gentleman who is still Minister of Forestry, who was the author of *The Green Ghetto* prior to that, did something that was good. He spent less money annually but got better results by negotiating these jointly administered, jointly funded agreements and got more bang for the buck. This allowed the provinces and the federal government by working together to accomplish much

more with less money than was the case when it was done on the short term. I simply cannot understand her reference to these kinds of jointly negotiated, jointly funded, jointly administered agreements, as governments competing with each other. It is one of the best investments I have seen during all the time I have been a member of this place or simply been interested in the forestry industry or the political sphere.

• (1340)

It strikes me as almost an insult to the present minister when he has announced that he is leaving parliamentary life, to eliminate the federal government's share in a program that has returned more and demanded more money if we are to fulfil any commitment to the green plan or the principle of sustainable development. I believe in this case she was defending the indefensible. I would like to ask her to try to justify it or perhaps tell me that I was wrong in my interpretation of what she said.

Mrs. Dobbie: Mr. Speaker, I do appreciate the question. I think it is a valid one and I am glad it was raised.

The fact is that programs of this nature are not created to last forever. They do not and should not replace the natural and normal condition that would prevail, which is that forestry is a provincial jurisdiction as are all other resources. Constitutionally it is not appropriate for the federal government to spend a long time in a field like forestry.

In addition to that there are some practical implications here. There was competition, duplication and in some cases resentment because of the occupation of this field by the federal government. Not that long ago I had the occasion to be with the minister of forestry in Manitoba, actually the Minister of Natural Resources because he deals with more than forests. He pointed out to me that while he was the minister responsible for all the forests in Manitoba, he had fewer foresters in the province than did the federal Minister of Forestry, and the federal Minister of Forestry had no responsibility for forests in the province of Manitoba.

While the short-term program may have had a very beneficial effect in some areas, and certainly in my area because we do have forestry and logging and I have lumber companies in my own riding, there has to be a sunset clause on these programs. We have to back out of them when the expenditure can no longer be justified according to the long waiting list of priorities that is out there for the dollars that are available.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I regret very much that I was not here yesterday to listen to the minister's speech. I was at a nomination meeting in Essex—Windsor which had been scheduled long before and could not be changed. However I must say that if there has been any budget to miss in the eight and a half years of Conservative government, any budget that one could somehow nod through and not have missed a thing, it is this budget. Aside from having an awful lot of propaganda trying to prop up failed records, this budget has absolutely nothing in it. It has no new ideas of any sort and no new initiatives. We were told that the guillotine was coming down in this budget and there was going to be a serious attempt to get control of the deficit situation in this country.

What do we find? Absolutely nothing, except a little bit of creative bookkeeping which puts the GST tax rebate for next year into the next fiscal year by paying people twice a year instead of four times a year.

• (1345)

That represents $625 million in savings out of the $1 billion in savings that is supposedly in this budget.

We have just been talking about the forestry industry and I must say I am struck with horror when I think of the budget and the number of trees that have been sacrificed to produce this piece of absolutely empty nonsense. It is just tragic.

We have an economic crisis here in Canada in 1993. We have 11 per cent of our population out of work, according to the official figures. A real measure of the unemployment rate might be calculated by asking how many people really want to work. We might go back and find the participation rate in the economy in a province where there was a fair amount of economic activity, like Ontario, in the period just before the recession hit in early 1990. The participation rate was about 70.1 per cent at that stage. If we were to apply that participation rate now to the whole country, and surely it is fair to do so because that is a measure of the number of people who wanted to work then and who want to work now, we see that over 17 per cent of the people in this country are unemployed. We are talking about a national catastrophe.

There has been a lot of hoo-ha about a debt crisis. The biggest debt crisis we have in this country is the one this government suffers from when it comes to ideas and compassion for those who are out of work. It exhibits an absolutely abysmal lack of care.

With that number of people out of work, the government brings forward a budget that has absolutely nothing in it to try to help those who are out of work. We have seen previous budgets that have had in my view a set of unfortunate initiatives, but usually in every case it has been possible to point to at least one or two areas where the minister of the day has tried to show some political or economic initiative to deal with the unemployment problem in Canada.

There is not even the pretence of that in this budget. There is nothing here whatsoever. You can start with the summary of the Minister of Finance about all the great things that are in this budget: "No new taxes, no tax increases. More than $30 billion in spending cuts and other measures." Of course, the spending cuts are all in the future. They do not affect the present.

There are all sort of things but not one single point is mentioned about what is going to be done about the serious problem of unemployment in Canada. In fact the only thing that is in this budget which deals with unemployment is an extension of the reduction in unemployment benefits for unemployed people into the future.

It is a heartless government that has lost touch with the realities in this country.

• (1350)

I stood up in the House last week in an Opposition Day debate and listed, from my constituency alone, close to 3,000 workers who had lost their jobs through the dozens of plant shutdowns that have taken place in the Windsor area. Is there anything in this budget that attempts to respond to the concerns of those people? There is not a thing.

In addition, we have to say there are some usual petty, nasty, wicked little hooks in this budget as there have been in every Conservative budget that has been produced since this government came into power.

In this case it has taken the GST rebate which goes to poorer families in this country who were promised it would be given four times a year to offset the increased burden of the GST and said: "We are going to do away with four times a year. We are going to make it just twice a year." There is no recognition of the increased problems that will cause for poorer families in Canada.

On top of it all, these great deficit fighters on the other side of the aisle have brought forward in their last budget a deficit that is higher than the deficit they projected for their first budget in 1985. In other words, we have had almost nine years of Conservative rule in this country by people who are mesmerized by the deficit. Despite all its rhetoric, fuming, excuses and close to 40 new taxes it has put into effect to hit Canadians, the government has to project a higher deficit in its last budget than it could project in its first budget in 1985.

Mind you it is consistent with previous Conservative budgets too. This budget, like all Conservative budgets since 1985 is really good at dealing with the deficit problem five years down the road. If we believe in Alice in Wonderland and like to read our kids fairy stories we could find all sorts of material in this budget. Suddenly, miraculously, the Canadian economy is going to start growing at 4.5 per cent per year. It does not say how. It is going to happen. It will be 4.5 per cent per year.

This remarkable, miraculous growth is going to create a reduction in the deficit. Suddenly by 1998, safely down the road, the borrowing requirements of this government are going to be eliminated. This is the first step toward eliminating the deficit.

It is funny. If you go back to the first budget of the Conservatives in 1985, they were going to have reached that no borrowing position by this year, 1993. Here we are in 1993 and what do we have? We have a bigger deficit than in the first year that the Conservatives presented a budget.

• (1355)

Talk about mismanagement, talk about the tooth fairy, talk about Alice in Wonderland. Anybody who believes the statistics presented in this budget needs to be taken to the Clarke Institute in Toronto and given an extensive series of shock treatments.

The reality is that there is virtually nothing in this budget that will help with any of Canada's problems whatsoever. I have to admit there is one good thing that I have managed to find in the course of 94 pages, one good point. That is the suggestion that we should merge the National Advisory Council on Aging and the National Council of Welfare. That makes sense, but the government says it is also going to do away with all sorts of other committees which it turns out do not have any members anyway so it is awfully easy to get rid of them. That does not prove very much.

It is a budget without a hope of doing anything to help people in this country. By bringing this budget forward at this time the Conservatives have lost the chance in the final budget they will present, I hope for a generation, to keep some of the promises they made, such as the promise to set up a national child care program.

I had people speaking with me this morning from child care advocacy groups across this country, not just the parents but some of the children who have benefited so much from national child care efforts in the past in Canada. They left me some of their very well-presented propaganda. It makes the case very well that we need a national child care program in this country. We need a program to put people to work in the child care area but above all we need a program that will help children by providing high quality child care throughout Canada.

Our New Democrat jobs program makes a commitment to such a child care program for Canada but this government, despite its promises in the last election, has refused to come through.

This government promised to help small business, but again it has not done so. We have argued that we need a national investment fund in this country for Canadian-owned businesses so they would have access to the capital they need to expand their activities through venture capital.

We have argued for a commitment to work force training. We have argued for encouragement of employee ownership where feasible and tightened research requirements on foreign investment. All of those things could have been part of this budget without any extra expenditure of money in many cases. Yet there are no new ideas, no new initiatives, and no new hope for Canada's unemployed.

I wonder if I could call it two o'clock?

The Acting Speaker (Mr. DeBlois): It being 2 p.m., the House will now proceed to statements by members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, an article published in the newspaper *Les Affaires* of April 17, 1993, says that "the federal government delivered the goods in Quebec, through the Canada-Quebec agreement on regional development."

Indeed, the Conservative government provided $440 million out of a total of $820 million, over a period of five years which started in 1988.

Canada also delivered the goods as regards budgets. Moreover, the federal government added $130 million to bail out, over the next two years, programs for which financing had ended. We are not very concerned with criticism made in some regions, to the effect that the amounts announced were only partially spent.

As of February 28, 1993 the federal government had committed $26.62 million out of a total of $35 million in the northwest region of Quebec. On the other hand, as of December 31, 1992, the Quebec government, through this same agreement on the northwest region of its province, had only committed $12.3 million out of a total of $40 million.

* * *

[*English*]

THE BUDGET

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, Canadians are longing for a revival of confidence in their country, renewed hope for their future and brighter prospects for their children. On farms, in small towns, in factories and in homes Canadians expect better for the 39 new taxes they have faced under this government than they received yesterday.

This government cannot seem to grasp that it is not a question of more government or less government but of good government. It is a question of effective public services delivered at a price the country can afford by a Public Service that has the talent and tools it needs to do the job that Parliament has told it to do.

This calculator budgeting that comes up with arbitrary percentage or dollar cuts simply is not delivering the value that Canadians expect for the increased taxes they are going to continue paying into the future.

* * *

JACK WALTERS

Mr. Al Johnson (Calgary North): Mr. Speaker, last Friday I met with a number of outstanding but distraught young athletes who are members of our national speed skating team. They expressed to me their dismay that their coach, Jack Walters, had been fired by the Canadian Amateur Speed Skating Association.

Throughout the past 20 years, 12 of which he spent coaching Gaetan Boucher, Jack Walters has earned the respect and admiration of the national and international speed skating community as one of the world's finest coaches.

This extraordinary reputation is due to the mutual trust, confidence and respect between him and his athletes, outstanding results and his willingness to share his progressive and innovative ideas among the national and international community of coaches.

Canadian taxpayers pay 70 per cent to 75 per cent of the Canadian Amateur Speed Skating Association's costs. On their behalf I ask the minister to get involved and if appropriate to appoint a facilitator so that our young athletes can be assured that petty politics and bureaucratic muddling are not threatening their chance to achieve the goals they have set for themselves on behalf of Canada.

* * *

THE ECONOMY

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, over the past nine years the Conservative government has asked us to make sacrifices in order to fight the federal deficit and the federal debt, help future generations, develop a globally competitive economy and improve our quality of life, and we have.

Canadians placed their trust in this government. Since the Conservatives took office in 1984 the federal debt has more than doubled to $460 billion. They have consistently posted annual deficits in the $30 billion range. The tax burden on the hard working middle class family has increased to 44 per cent of their income. Over 1.5 million Canadians are unemployed, among them are over 430,000 young people; 30 per cent of our high school students continue to drop out; 2.2 million live on welfare; 2 million rely on food banks; and violent crime has gone up 40 per cent. Tory times are tough times.

* * *

THE BUDGET

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the real failure of this government is that it does not understand what truly holds Canada together. Our national institutions make this country viable, institutions like the CBC which allows us to learn about each other, VIA Rail which enables us to visit each other and Canada Post which allows us to communicate with each other.

Yesterday's budget makes it obvious that the Tories are plotting the death of VIA Rail. These latest cuts will force VIA to cut routes and services and make it much more difficult for VIA to acquire the new equipment it will soon need just to function.

While VIA officials will work hard to minimize the effects of these cuts, there is no question that the lower the ongoing investment in rail passenger service the smaller and less frequent VIA will become. This country is too big to leave the funding of rail passenger service to the marketplace.

If we are to continue to have rail passenger service from coast to coast the Canadian government has a role to play. It is not constitutions that keep this country together but people communicating with each other by radio, by television, by letter and through transportation that is affordable and accessible.

S. O. 31

• (1405)

SHIPS COMPANY THEATRE

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the Ships Company Theatre was established several years ago in the town of Parrsboro, Nova Scotia. Its impact has been felt throughout the Parrsboro shore as it attracts people from several provinces nearby.

It is established in a dry-docked ferry boat called the *Kipawa* which creates a unique atmosphere and is very conducive to the setting and appropriate to the productions.

The Parrsboro shore area is now experiencing a small boom in tourism and this theatre group was the main original building block which helped to attract many of the other tourism facilities under construction.

The Ships Company Theatre is now applying to the federal government, the provincial government, and the municipality for assistance in funding to allow it to continue to survive and prosper.

Canada Employment has recently announced a section 25 grant to help it upgrade its facilities, which is a start. Applications will be made to ACOA and the Department of Communications, as well as to the province, to assist with a relatively small amount of funding to ensure this continues.

I strongly support the Ships Company Theatre in its efforts to resolve its financial challenges and will be endorsing its applications whole-heartedly.

* * *

THE BUDGET

Hon. Alan Redway (Don Valley East): Mr. Speaker, yesterday's budget was good news for senior citizens in my constituency and across Canada. Currently an individual must remit quarterly income tax instalments if both their prior year and current year federal tax liability is more than $1,000 and less than three-quarters of their current year's net income is subject to withholding tax at source.

Effective September 15, 1994, an individual will be required to pay instalments only if the difference between the tax payable and the amount withheld at source is greater than $2,000 in both the current and either of the two preceding years.

This means that some 300,000 people, a great many of them seniors, will no longer be required to make quarterly income tax instalment payments. That is great news for seniors.

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THE BUDGET

Mr. Jim Peterson (Willowdale): Mr. Speaker, Canada's economic future is in grave doubt. Since 1984 manufacturing productivity has grown at only two-thirds the rate of the G-7 and under this government our high-tech trade has fallen from a surplus of $1 billion to a $30 billion deficit.

Since 1989 we have fallen from fourth to eleventh place in the world in terms of our ability to compete. We have lost 16 per cent of our manufacturing jobs and our unemployment rate is stuck at 11 per cent.

Yesterday the government's challenge was to offer policies to help Canada compete as a high-wage nation and create jobs. It failed to address our deficiencies in education, training, numeracy, literacy, science and technology, and research and development.

It offered nothing to help small businesses expand, to assist manufacturers with productivity, exports and quality, or to help our primary industries add value here in Canada.

This budget is a prescription for our continuing economic decline. This government continues to fail us miserably.

* * *

CONSUMER AFFAIRS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I would like to congratulate Consumer and Corporate Affairs Canada for its innovative and dynamic approach toward the safety of older consumers during this National Consumer Week.

We should keep in mind that each year over 3,000 seniors die and over 67,000 more are hospitalized as a result of an injury. In 1986 injury related expenditures were estimated at $11 billion and injuries are currently the second leading health care problem. Injuries involving consumer products are of particular concern to seniors because of the severe impact they have on their quality of life.

As the Canadian population continues to age the number of injuries and related deaths and associated health costs will significantly increase.

The department has introduced initiatives to reduce product related injuries suffered by seniors in their homes. It is working with industry and seniors' groups to make industry aware of the product and packaging needs of the seniors.

The Canadian Seniors Packaging Advisory Council, CSPAC, was established to address seniors' packaging needs. A national working group was formed to promote products of universal design. Such consumer products will make life easier not only for seniors but also for all Canadians.

* * *

THE BUDGET

Mr. Rod Murphy (Churchill): Mr. Speaker, in Monday's budget this government announced that it will not renew the federal-provincial economic and regional development agreements in the areas of forestry and mineral resource development. This is bad news for Canadians who rely on the mining and forestry industries.

In Manitoba this announcement means the loss of $5 million in federal funding for mineral development and $15 million for forestry. How does the government think that Manitoba and the other provinces will make up this difference?

Although the federal government has not given up its constitutional obligation to forestry and mining these cuts reduce any federal influence in these important areas. The federal government has a role to play in the forestry and mining industries. The government's decision to pull out of these areas is disgraceful and will hurt thousands of working people and hundreds of communities right across Canada.

* * *

• (1410)

CONSUMER CREDIT

Mrs. Dorothy Dobbie (Winnipeg South): Mr. Speaker, I too would like to mention National Consumer Week. This year the federal government is highlighting the importance of consumer credit during National Consumer Week so that consumers can act with full knowledge when they use the credit options available to them.

It seems clear that the marketplace conditions affecting the use of credit have undergone fundamental changes and that these conditions are likely to persist. For example, while some types of consumer debts have declined from their recent peak level the use of consumer credit is still more common than it was a decade ago.

Another change involves the misuse of credit and particularly credit cards. To address this problem, there is a need for more informational and educational initiatives which will reduce levels of serious indebtedness and, in some cases, prevent personal bankruptcies.

As this is a complex and serious matter, the Minister of Consumer and Corporate Affairs is communicating his concerns to the provinces and credit grantors. He is asking them to provide their ideas on how problems of excessive indebtedness can be prevented and how the importance of the wise use of credit can be effectively communicated to consumers.

In addition to co-operative action with provincial governments and credit grantors we will continue—

The Acting Speaker (Mr. DeBlois): I am sorry but the member's time has expired.

* * *

NATIONAL DEFENCE

Mr. John Brewin (Victoria): Mr. Speaker, yesterday the government failed to cancel the $5.8 billion helicopter purchase and replace it with a cheaper alternative more in keeping with Canada's post cold war role.

The government failed to initiate necessary base closings through discussions with local communities. The government failed to respond to a UN call for a 3 per cent per annum cut in defence spending so that the world can tackle Third World development problems and global environmental issues.

Instead, the do-nothing, no-change Minister of National Defence carries on as if the cold war never ended, as if the Berlin wall still stands. Surely it is time for a

peace dividend. Surely it is time for this government to go.

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OFFICIAL LANGUAGES

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I wish to congratulate Premier Robert Bourassa of Quebec and his party leadership.

Last weekend Quebec Liberals gave Premier Bourassa the green light to allow English on commercial signs at a policy convention. The sign law in place for the past 15 years has banned languages other than French on most signs and obviously has strained relations between Quebec and the rest of Canada.

The law could be scrapped by the Bourassa government as early as June. This should help ease relations between New Brunswick, Canada's only officially bilingual province, and the province of Quebec.

This is obviously a move in the right direction and Premier Bourassa has to be commended.

* * *

THE BUDGET

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, this government hates Newfoundlanders.

That is one of the clear messages in yesterday's budget. How else can we explain that onslaught on forestry, the fisheries and the mineral agreements?

The government has done enough over the last eight years with its high dollar and its high interest rates which have caused the loss of jobs by the thousands in Newfoundland, in the mining sector, the forestry industry and the fishery, but there are still a few jobs left down there.

It had one more go at it yesterday in that budget to see if it could wipe out the few remaining people down there who are still working for a living, who have survived so long despite the despicable policies of this government.

Newfoundlanders have had enough from you fellows and they will let you know when the election comes.

THE BUDGET

Miss Deborah Grey (Beaver River): Mr. Speaker, yesterday's budget was an abominable insult to Canadians and a pathetic attempt at deficit reduction.

In fact the budget will increase spending by $13.4 billion over the next three years, if the Conservative Party is around after the next election to implement the necessary legislation.

Are Canadians supposed to get excited about the fact that there were no new taxes? This is little consolation for the average working man and woman who have seen their taxes rise by 26.7 per cent since these deficit dragoons took power in 1984.

What Canadians need is not a stay the course, do-nothing cop-out but a real deficit reduction budget from a real government. The Reform Party's zero in three plan offers the only real alternative for deficit reduction and a secure future for our social safety net. No other party in Canada as witnessed by yesterday's budget takes the deficit crisis seriously. Let us hope the government never gets the opportunity to put its lack-lustre bankruptcy plan into practice.

* * *

• (1415)

[*Translation*]

THE BUDGET

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, provincial transfers are not affected by the cuts announced yesterday.

To force transfer cutbacks on the provinces would interfere with their own efforts to deal with the debt and deficit problem.

With the 1993 budget, the government is responding to Canadians who have been requesting that governments work together to tackle the national debt and deficit problem.

The Minister of Finance has convened his provincial colleagues to a special finance ministers' conference to be held on May 30 and 31, to start working on a common strategy to deal with the national debt problem.

THE BUDGET

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, the budget tabled by the Minister of Finance yesterday is a useless and meaningless budget which does nothing to remedy unemployment or poverty.

Again, the minister is attacking the old and the poor. The GST credit is currently paid four times a year but, come January, families expecting to receive their cheque as usual from the government will have to wait another three months.

Such a measure is nothing more than an accounting trick and it unfairly penalizes low-income families. The government had promised that the GST credit would be paid often, sometimes even ahead of time to help those in need.

I think this measure is unfair and I ask the Minister of Finance to withdraw it.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance.

After years of double digit unemployment and with 1.5 million Canadians still looking for work the best the government can do in its budget is to have 11 per cent unemployment this year and about the same level next year.

I ask the minister: where is the plan for economic growth and job creation that would bring unemployment down substantially this year and next? Will the minister admit the reason he does not have a plan for jobs in his budget is that it is designed to help the political needs of the Conservative Party and not the economic needs of Canada?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, this is a realistic, responsible and achievable budget. It builds on the initiatives of the December statement to bolster growth and to invest in people and infrastructure. I draw attention to the economic statement wherein it indicates that in fiscal year 1993-94 some $1.1 billion will be spent on bolstering the economy. In 1994-95 there is another $1 billion.

The personal income tax reductions and the child benefit credit inject $1.7 billion into the economy this year. We have in place a special two-year home buyer's plan. We have reduced the manufacturing and processing tax rate. We have increased the capital cost allowance for manufacturing and processing. We have streamlined research and development. We have removed the withholding taxes.

We announced an infrastructure program that is generating 15,000 person-years of work now and another 15,000 in the future. We have provided measures to assist small business. We have increased the business loans under the Small Businesses Loans Act. We have provided UI premium relief for new jobs. We have a small business investment tax credit.

All of these initiatives are taking hold and have created 200,000 new full-time jobs since August.

Hon. Herb Gray (Windsor West): And after all this, Mr. Speaker, the minister in his own budget says that unemployment will remain at the tragically high level of 11 per cent this year and 10.6 per cent next year. Is that not an admission of failure?

My supplementary question to the minister is this: today the Prime Minister's office announced a detailed plan for the Prime Minister's farewell tour of Europe. Why is it possible for the government to design a detailed plan for this farewell tour and impossible for the government to design a detailed plan in its budget to quickly put 1.5 million Canadians back to work?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will give you an idea of the seriousness of the ideas on the other side of the House.

As Prime Minister of Canada, I have accepted an invitation from President Yeltsin to visit with him in Russia in respect of the G-7's attempts to contribute to the stabilization of the former Soviet Union. Canada's per capita contribution is second only to that of Germany and our arrangements for the Vancouver summit have been with that in mind.

Our meetings with Chancellor Kohl deal principally with the reignition of the GATT talks and their impor-

tance to Canada. The new Prime Minister of France, Edouard Balladur, has invited us, given the importance of France to Canada, particularly in regard to our foreign policy. These are important and significant steps to take.

I find it difficult to understand that my hon. friend, as a Privy Councillor and a member of a former government whose Prime Minister in 1984 took trips to Romania, East Germany and half-way around the world, would seek to trivialize an important initiative on behalf of the Government of Canada.

If my hon. friend has some better ideas in regard to the budget, let him bring them forward but he should not try to trivialize Canada's important initiatives in foreign policy in this manner.

Hon. Herb Gray (Windsor West): Mr. Speaker, the Prime Minister seems uncommonly sensitive about this point. I am wondering if he is going to take Mr. McCutchan with him. That would be some proof that it is a serious trip.

[*Translation*]

Mr. Speaker, my third question is directed to the Minister of Finance. In its budget, the government plans to spend $5.8 billion to buy military helicopters while at the same time making drastic cuts in social housing and regional development. I want to ask the minister why this government has such a distorted sense of priorities? Why?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if the hon. member looks at the expenditure cut projections, he will find that there are some $5.9 billion worth of expenditure cuts to the Department of National Defence budget. If that is taken over the period from 1989-90 right through until 1997-98, it will be found that there have been cuts of some $14 billion in the defence budget. I think that is pretty substantial.

Clearly with respect to social housing, we are still going to be supporting social housing at the level of some $2 billion. Any new housing initiatives will have to be funded out of expenditures that are available for that given year. We cannot continue to provide the 35-year subsidy provision that layers up the cost exposure and establishes a liability for future generations. Every $40 million worth of investment in social housing works out to about $1.5 billion worth of exposure.

These are some of the things we have had to deal with. We have to live within our means and we have to adjust the mechanisms and the institutions available to deal with the reality of severe fiscal restraint.

[*Translation*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of Finance.

Everybody recognizes that small and medium-sized businesses are the main vehicles of growth and job creation in Canada. This budget was the last chance for this government to make a concrete proposal to our business people but it failed to seize that opportunity.

Once again, why did the Minister of Finance refuse to suggest an action plan allowing Canadians and small and medium-sized businesses to develop new products, export them all over the world, and win the global economic battle?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I think the hon. member is quite aware of the initiatives we took in the December statement.

I repeat that this budget builds upon the efforts in the December statement both in terms of policy and in terms of expenditure reduction. I might add that those expenditure reductions enunciated in the December statement have been enshrined into law. What we are doing here is extending those expenditure reductions and indeed deepening them.

• (1425)

With respect to small business, I think the best news for the small business sector is that there are no new taxes or no tax increases. I know that my hon. friend is disappointed about that because they are the party of high taxes, high spending and high deficits.

Some hon. members: Oh, oh.

Mr. Mazankowski: What we have are a number of initiatives to assist small business. The Small Business Financing Program is extended. We have increased the maximum loan limits and changed the Small Businesses

Loans Act so it can be more effective. We have increased the labour-sponsored venture capital corporation credit, the UI premium relief for new jobs, new small business investment tax credit and assistance to the small oil companies which is really having a very positive effect. Indeed, there are steps to further reduce the compliance burden with respect to the GST. All of those things are very welcome in the small business community.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, if the minister really believes that, he has been away from the small business sector for far too long. The problem with his budget is that it does not just build on last December's statement, it builds on nine years of failure.

The minister talks about what the government is prepared to do for small business. The minister ought to know from his own background that the biggest problem small businesses face is the lack of capital. What is the government's response to lack of capital? Let me quote from this great document. The minister says: "We will explore ways to develop mechanisms to encourage investors," whatever that means. After countless studies and commissions, the Porter report, the prosperity initiative, that is a sentence riddled with clichés. Is exploring mechanisms the best thing this government can do to encourage small business?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member knows that the small business federal tax rate is the lowest tax rate applied to small businesses in any country in the world. That in itself is a very important element.

We have the lowest interest rates in 20 years and the lowest inflation rate in 30 years. That is helpful. The Small Businesses Loans Act was indeed overhauled through an extensive consultation process. Indeed members opposite, his own colleagues, helped in that process. We got a good package, one the banks have responded to positively. For example, the Royal Bank, the Bank of Nova Scotia and the Toronto Dominion Bank have all responded very positively by providing extra premium rates for the Small Businesses Loans Act. They are also suggesting that more than $1 billion of new capital will flow to the small business sector in 1993 and that is good news.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Finance. Listening to the answers so far today, it is clear this is a pretty tired government in need of a period of long hibernation. The next election should provide that.

When it comes to the most serious economic issue facing Canadians, the job crisis, the government has chosen to do nothing but to accept 11 per cent unemployment this year and double digit unemployment next year. We see that one in four Canadians is unemployed, underemployed or has given up hope in this country. Hope is desperately needed.

Europe, Japan and the United States, major trading partners, have come out with jobs plans for their countries. In the case of Europe it is a jobs plan for countries of the European Community. This is a jobs plan for economic renewal.

Why is the government content in this budget to simply ride on the coat-tails of other governments? Why has the government not come out with a positive jobs plan that will give Canadians hope?

• (1430)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, there is in place right now an expenditure of $1.1 billion in this fiscal year and $1 billion plus in the next fiscal year to help bolster the economy from infrastructure to training and skills upgrading, to incentives for small business, to encouraging more trade and in particular to ensuring that the trade initiatives that have been so successful in creating more export demand are carried out and transformed into jobs.

I should advise the hon. member that since November employment growth has been growing at an annual rate of 2.8 per cent. That is higher than we had expected in this budget in which we predicted 1.7 per cent this year and 3 per cent next year.

I remind my hon. friend that we have had 200,000 new full-time jobs created since August, 48,000 new jobs last month and 26,000 new jobs in the manufacturing sector. There are clear signs of pick-up both in the manufacturing sector and in the export sector and hopefully soon in the domestic demand sector.

Hon. Audrey McLaughlin (Yukon): I have a supplementary question, Mr. Speaker. I remind the minister that the unemployment rate remains at 11 per cent. That is the official unemployment rate. The unofficial rate is

much closer to about 19 per cent and youth unemployment is close to 20 per cent.

I say to the minister that he can stand in this House and say that his policies have created more jobs, but his policies have created more devastation in the last nine years in this country and we needed to see a budget to change that.

The government has addressed the issue of the deficit many times, although in this budget projection the deficit will not even decrease in the coming year. One of the major causes of deficit, in addition to the bad trade policies of this government, the high interest rate policy of this government and the GST, is high unemployment. Of course we have declining revenues with a declining number of people working.

Why does the government refuse to acknowledge that the deficit is simply a symptom of an economy that is not working? Why does it not recognize that for a country to work the people of that country must be working?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I agreed that a healthy economy and lots of jobs is really the ultimate. That is what we are really trying to do.

We do have a recovery that has been slow in coming, but we have facilitated that recovery by the measures that we have taken. At the same time we have to deal with the deficit. We have tried to strike a balanced, responsible, realistic and achievable position, not to be bloodthirsty or Draconian, not to tackle the provinces, not to tackle senior citizens or veterans. We have attempted to adopt a responsible course of action, one that is achievable.

I can tell my hon. friend that I believe what we have laid out in the five-year program is achievable and will get us to a level of zero cash requirements at the end of the five-year period. Our deficit as a percentage of GDP will be .9 per cent. That is down from 5.1 per cent as it is today. We will have the lowest expenditures of government in more than 30 years at 13.9 per cent.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the minister. The projections of the minister for the future rival those of the psychics in *The National Enquirer*. Indeed, I think they have actually had better success with their predictions than the minister.

[*Translation*]

I have a question for the Minister. The government has made choices. It chose to ignore unemployment; it chose to attack programs which were important for ordinary people, such as subsidized housing, regional development, transportation subsidies, the CBC, and organizations assisting the underpriviledged. Instead, the government could have ended private family trust exemptions and deductions for business entertainment expenses.

Why does the government keep asking sacrifices from ordinary people rather than from the rich?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. Leader of the NDP takes issue with our projections.

Mr. Riis: Everybody does.

Mr. Mazankowski: Her House leader says: "Everybody does." I just received a document from New York entitled "High Frequency Economics," which is distributed around the world, issued today, April 27. This is what it has to say about the budget: "We think this is an achievable budget. We like this budget. There is a medium term plan of deficit reduction here. Growth assumptions and revenue projections seem to us to be realistic and even conservative."

• (1435)

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I think the finance minister had to go a long way to find that clipping.

My question is for the same finance minister. In this do-nothing budget that he put out last night projections for high levels of unemployment over the next few years confirm the human tragedy of this Conservative administration. The only recovery this government seems to be committed to is a jobless one.

Why have this minister and this government refused to include any new encouraging job creation programs in this budget?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member suggests that I had to look high and low for that quote. I will give her another one that came out of *The Financial Times* this morning.

Some hon. members: Oh, oh.

Mr. Mazankowski: Of London.

Mr. Tobin: You had to look far for that one.

Mr. Mazankowski: It reports—

Mr. Tobin: How about *The Globe and Mail* of Canada? How about *The Toronto Sun*?

Mr. Mazankowski: It reports on the latest forecast of the IMF. Will that interest you now?

It points out that for 1993 the growth forecast for Canada is 3.2 per cent; for the U.K. it is 1.4 per cent; for Italy, .3 per cent; for Germany, minus 1.3 per cent; for Japan, 1.3 per cent; and the United States, 3.2 per cent.

I could go through the same litany for 1994 which means that Canada will have the best growth rate in the G–7. Surely they are interested in that. That fully supports the projections I made in the budget.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, if the finance minister looked at some of the Canadian headlines maybe he would get some idea of what people are really thinking.

Let us stop all this talk. Governing is a matter of choices. This government and this Minister of Finance had a choice. This government and this Minister of Finance chose to do nothing except to utter empty phrases and to accept unacceptable double digit levels of unemployment.

How can this government ignore the desperate need of Canadians for jobs?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Yes, Mr. Speaker, governing is about choices and governing is about making difficult choices. In some cases we have to exercise restraint.

I must say that on every single solitary occasion we brought forward restraint measures to the House of Commons the Liberal Party voted against it and the NDP voted against it. So much for talking about the level of restraint.

Clearly a number of initiatives have been put in place as a result of the December statement. This budget builds on the December statement. It continues the expenditure reductions but it also continues the support in those particular areas of the economy that need strengthening. That is where the jobs are being created. That is why we are optimistic about achieving 7.5 per cent level in unemployment by 1997–98.

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the Minister of Finance.

Yesterday in his budget he predicted a $32.6 billion deficit for the current year. That is up from previous predictions of $16.6 billion in 1991, $14 billion in 1990, and $15 billion in 1989. Furthermore, the minister's projection last year for the year just ended was off by a mere $8 billion.

• (1440)

In a budget devoid of strategy for economic growth and new jobs, how can the minister expect Canadians to take seriously the deficit projections he has put in this year's budget?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I just quoted one economic analyst and I will quote him further. He says: "We estimate that growth alone should push the policy neutral budget deficit down toward $28 billion." That is his assessment.

Some hon. members: Who, who?

Mr. Mazankowski: I appreciate the question of the hon. member. He is always genuine and always offers constructive criticism, and sometimes even some constructive suggestions.

We have just gone through an exchange with his colleagues where they were asking us to spend more money and to further enhance the level of the deficit, to bring it up higher.

The hon. member knows very well that because of the recession and the global economic slowdown we have had a shortfall in revenues of some $9 billion in 1992–1993. We project that similar shortfalls in revenues will be expected in the other years as well.

What we have done here is we have constrained expenditures. As a matter of fact we have brought them down by about $900 billion from where we originally were. We are exercising prudence and restraint on the expenditure side. What we are doing is trying to bolster economic growth—

Mr. Speaker: I think we must move on.

Mr. John Manley (Ottawa South): Mr. Speaker, yesterday's budget, I am sure the minister taking all those

assumptions aside would agree, has some pretty optimistic growth forecasts in it. It projects a deficit of $8 billion five years from now.

The Minister of the Environment says that he can reduce the deficit to zero in four years. The Minister of National Defence says that she can reduce it to zero in five years.

I would like the minister to explain whether his colleagues are naive and unrealistic about reducing the deficit, or is he telling Canadians that this particular budget is a stand still, do-nothing budget just to buy time until the Tory leadership convention is over?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, respecting our goals and objectives with respect to bringing down the deficit, particularly as a percentage of GDP because as my hon. friend knows that is the one that counts, we intend under this plan to bring the deficit as a percentage of GDP down from 5.1 per cent to .9 per cent.

I note that his leader suggests that 3 per cent would be a logical and acceptable figure. In other words he is saying it would be okay to have the deficit as a percentage of GDP running at 3 per cent, which would maintain a deficit of about $25 billion.

That is not good enough for us. Zero cash requirements is what we are after. A .9 per cent deficit to GDP ratio is what we are after and the lowest level of government expenditure in 30 years. That is what we are after and that is what our objectives will achieve.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is for the Minister of Finance.

Most independent agencies forecast unemployment at greater than 10 per cent for the decade and growth at around 2.5 per cent. The wizard of finance conjures growth at 4.25 per cent and unemployment at 7.6 per cent by 1997-1998.

Considering the accuracy of previous forecasts, in the first budget they said there would be no deficit at all by now, and as recently as 1991 they underestimated the budget by nearly $11 billion.

My question is as follows: would it not be reasonable for the 1.5 million unemployed to conclude they are out of work because this government does not know what it is talking about and it does not know what it is doing?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, indeed I think we all have to acknowledge that the recession was deeper and longer than expected.

• (1445)

When we look around the world in terms of the global economy, we see Japan's growth at 1.3 per cent, Germany at minus 1.3 per cent, Italy at .3 per cent and the U.K. at 1.4 per cent. We are a part of the global economy. There is no question about that.

The hon. member says my figures and my forecast are unrealistic. The objective analysts from New York suggest—

Mr. Blackburn (Brant): In the *Village Voice*.

Mr. Mazankowski: —again that the budget is delivering the fruits of structural change in public financing undertaken in recent years and which were not harvested because of the prolonged recession. There is a medium term plan of deficit reduction. Growth assumptions and revenue projections seem to us to be realistic and even conservative.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a very serious question for the Prime Minister.

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member will please put his question.

Mr. Langdon: Mr. Speaker, in the 1988 election campaign this government promised a national child care program. Yesterday's budget was the last chance for the Prime Minister to come through on this promise to Canadian children.

I want to ask why this government and this Prime Minister have broken this promise and why there is no move in this budget toward a national child care program for our kids.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is indulging in revisionism.

This House passed a national child care program in 1988 and it was killed in the Senate by the Liberal Party.

Some hon. members: Oh, oh.

Mr. Mulroney: It was killed in the Senate—

Ms. Clancy: Not a good program.

Ms. Copps: Bring back Mickey Mouse.

Mr. Speaker: The right hon. Prime Minister.

Mr. Andre: By the kazoo blowers over there.

Mr. Mulroney: Mr. Speaker, my hon. friend the member for Kamloops was a member of the House here at the time. He will remember full well that indeed the House of Commons voted for a national child care program in 1988 and it was killed by the Liberals led by the Hon. Allan MacEachen in the Senate. The Liberal Party of Canada killed a national child care program and you will pay for it forever.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, yesterday's announcement of major cuts to regional development has resulted in the unjustified cancellation of the Forest Development Agreement funding which is a major factor in Canada's goal to attain sustainable forest development.

This irresponsible Conservative government does not realize the impact that this cancellation will have on rural Canada and much more to the forest industry which cannot absorb those cuts. Furthermore these agreements have created 20,000 jobs across this country and have funded the planting of one billion seedlings.

My question is this. Can the minister justify to this House the motives behind his decision to abandon the forest industry?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member should clear his question with the hon. member for Ottawa South. He takes a completely different approach and he is sitting right behind him snickering and grinning. He really knows that it is quite an embarrassment.

The hon. member for Ottawa South is a very responsible member. I admire him and respect him very much. So is the hon. member for Timmins. I wish you folks would get together. The issue here is not that the federal government is withdrawing support of the forestry industry. We are there in research and development and we are there in the promotion of exports. A time comes when we have to exercise restraint in many areas and this is clearly an area that falls generally within provincial jurisdiction. Most of the royalty revenues, something in the order of $850 million, accrue to the provinces. This clearly is an area where if the provinces wish to support this sector further they will certainly have the opportunity to do so.

• (1450)

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is also for the Minister of Finance.

The cuts to regional development funding announced in yesterday's budget continue this government's cynical abandonment of Atlantic Canadians. ACOA, the agency that this government created to promote Atlantic development, has been repeatedly gutted.

The decision not to renew the forestry and mineral agreements and to review the other co-operation agreements signals a further loss of millions of dollars in federal support to Atlantic Canadians' most vital industries down the road.

The latest figures show that 155,000 Atlantic Canadians are officially unemployed. We all know that the real numbers are much higher than that.

Why is this government once again turning its back on the unemployed in Atlantic Canada?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, we are certainly doing nothing of the sort.

Earlier we heard in this House questions from the Liberal Party accusing us of not taking enough action on the deficit. Now in the same Question Period they are asking why are we cutting here and why are we cutting there.

In the area of regional development there has been a tremendous amount of growth since 1984-85 in the regional development envelope, $5.6 billion in the last five-year program. That is being reduced. It should also be recognized that what is being put in place is a new program of repayable contributions that will use revolving funds to fund the projects. That has been very successful and we are working toward achieving that goal.

In conclusion, I will remind the hon. member that while program expenditures are growing at a rate of 1.5 per cent per year, the transfers to the provinces will be growing at the rate of 4 per cent per year. We could have reduced transfers to the provinces. We chose not to do it

because we recognize the difficult circumstances that many of the provinces are in.

I think that is a clear recognition of the regions and the provinces that what we have got in here is a process and a plan that is realistic and achievable.

Mr. Joe Fontana (London East): Mr. Speaker, I suggest that the minister is playing a shell game with the provinces.

Yesterday this government announced that it will cancel funding for the majority of social housing programs in this country. This is a withdrawal from the cost-sharing housing programs that the federal government has participated in with the provinces for over five decades.

There are over one million Canadians in need of adequate and affordable housing who depend on this federal national government. There are over 200,000 Canadians homeless.

I want to ask the Minister of Finance why this government is unilaterally withdrawing its responsibility to provide funds for social housing. Does he not realize that good housing policy is good social policy and is good economic policy for this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): The hon. member indeed does make a point as did the other two members who asked questions on the Liberal side and as did members from the NDP, concerned about the cuts that I announced in the budget yesterday.

I would hope the business critics out there who saw this budget as a do-nothing budget, as a budget that did not cut enough, watch this performance here today. I hope the bankers watch the performance as well and I hope that the investment dealers watch the performance because the point is very well taken.

As the hon. member's colleague alluded to a little earlier, governing is about making tough choices. We have made the tough choices and we intend to implement them.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the same minister. I hope that every single Canadian is here and is listening to you refuse to withdraw the helicopters—

Some hon. members: Hear, hear.

Mr. Speaker: I know hon. members want to address each other through the Chair. I would also ask hon. members to keep in mind that the time is running out. Shorter questions, please, and shorter answers.

• (1455)

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, this government has made a choice and its choice is on helicopters. When we ask that other priorities come before this House, we ask this government to abandon the helicopters and stand up and do things for Canadians.

Right now in this project there is not one cent provided for the three million seniors in this country for housing. This government for the first time in 50 years has abandoned housing for senior Canadians.

I ask the minister why he has abandoned the seniors in this country.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, what we are talking about in the acquisition of the helicopters is an expenditure of about $300 million a year for a 14 or 15-year period. I should advise the hon. member that a good portion of this is going to create jobs in his own city, the city of Winnipeg.

In addition to that, the defence envelope is taking a substantial cut. In this budget $5.9 billion is being cut. In total between 1989-90 and 1997-98 there will be a total of $14 billion cut out of the defence envelope.

If the hon. member is suggesting that we spend $2.5 billion to repair and fix up the old helicopters for a 10-year life, that would be money that would be poured down the drain and be wasted. We would still have old helicopters and we would have to purchase new ones in ten years' time.

That would be just sheer folly. This is a realistic and sensible course of action.

Hon. Lorne Nystrom (Yorkton—Melville): My question is also for the Minister of Finance, Mr. Speaker.

In December 1992 in the budget the minister broke an agreement and cut the Crow benefit to hard-pressed prairie farmers by some 10 per cent. Yesterday he suggested a further cutback of 10 per cent, which is another $72 million to prairie farmers, unless they agree to change the method of payment by which they receive that money. Farmers are saying to me that it is unfair.

Either you change the method of payment or lose another $72 million per year.

Will the minister admit today that this is nothing short of blackmail for the prairie farmers?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): No, I would disagree with the hon. member. I would say that this is a clear incentive to get on with the job. When you have a $720 million subsidy that distorts the marketplace, that results in the provinces having to spend money to overcome that distortion, that is not a wise use of public funds.

We are saying here, as I said in the preparation of this budget, that all Canadians are going to be affected by the measures undertaken here. We can obviously see that they are, that that is the case.

I appeal to the hon. member to work closely with the Minister of Agriculture who has started a reform process. Reform is required. We want to expedite it and facilitate it so that it can serve the long-term interests of the western Canadian farmers.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplemental question is to the Minister of Finance as well.

In December 1992 the minister cut regional development programs by 10 per cent. Yesterday the finance minister continued the cutbacks in regional development by a total of $1.4 billion over the next five years. By withdrawing from the ERDA programs Newfoundland would have to come up with over $60 million to continue with the program; Ontario would have to come up with $40 million, not including the cutbacks to FedNor, ACOA and Western Diversification.

My question to the minister is this: why would the minister cut back on these programs which are so vital to developing employment opportunities in areas like northern Ontario, the Atlantic and western Canada? Why would the minister cut off the lifeline to the unemployed?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the very simple reason that we are doing these very unpopular things is to bring the deficit into line. I say yes, we are cutting. Unfortunately we are cutting, but we have to cut. I hope the bankers, the business critics and the investment dealers are listening to this exchange because they will know where we stand and where the opposition stands.

• (1500)

We are committed to bringing the deficit into line. They want to go out and spend, spend, borrow, borrow, tax, tax, tax.

* * *

NATIONAL DEFENCE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Defence.

As the minister is fully aware we now have Canadian troops involved in two very active, very precarious and very volatile theatres of action around the world. At the same time I have a copy of the minister's travel itinerary for next week where she will be attending photo ops in Toronto, a stomp and chomp dinner and dance, and other areas.

In all honesty this is a very exceptional, very difficult and very dangerous time. I want to ask the minister of defence how she really believes she can be fully responsible for our troops in the field at the same time she is pursuing her leadership ambitions.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I would like to advise the hon. member that owing to the miracles of modern technology I am able to be Minister of National Defence for 24 hours a day. I am constantly in contact with my office when I am not in Ottawa. Obviously when I am here I am able to respond directly in the House.

I find it fascinating that hon. member who last week was crying in the House about the absence of the Minister of National Defence can rise in the House today and only ask me a question about my agenda, about my schedule. I think that says a great deal about that hon. member.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Mazankowski that this House approves in general the budgetary policy of the government; and the amendment of Mr. Gray (Windsor West) (p. 18487).

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, what we have in front of us is a budget, as I was saying this morning, which has done absolutely nothing to increase jobs in this country. It contains no initiatives to give us new direction for the unemployed.

I see the Minister of Finance being congratulated by his colleagues. It can only be for having succeeded in putting in 94 pages not a single solitary new thought and for wasting hundreds of thousands of trees in the process. I suspect the colleagues congratulating him must come from forestry regions of the country.

What is so tragic about this budget is not just what is not there but what could have been there. We could have had moves to start to make our tax system fair by closing some of the loopholes at the top, loopholes like those the Auditor General identified last year that let large corporations take over $1 billion out of Canada tax-free, which we the taxpayers of the country have to make up.

We could have had initiatives to take action to make the GST gradually disappear so as to help small business and to help consumers across Canada. We could have had moves to put into effect a minimum corporate tax so that we got away from the scandal of large scale corporations being completely free of corporate tax even when they have made profits in Canada.

• (1505)

We could have had those initiatives. We could have had initiatives to see to it that in this country as in 22 of the other OECD countries the fortunes of people who are wealthy when they die and pass them on to their children and their friends are taxed and make a contribution to making our society better.

We could have taken that money and used it to get people back to work. We could have had initiatives on child care, the establishment of a national child care program such as the Prime Minister has promised for so many years and has failed to provide. We could have had an infrastructure program to give us some real sense of building a base for our economy for the future, a national investment fund to help the small scale and medium sized businesses in Canada that so badly need venture capital. We could in short have had a national jobs plan to put 1.5 million Canadians back to work, to bring the unemployment rate down and to put Canadians in positions where they are contributing to our tax rates instead of taking from our budgets.

Let me conclude by moving the following amendment to the amendment that has been moved:

> That the following words be added after the words "economic recovery":
>
> "by way of a national child care program, an infrastructure program, a national investment fund, and a national jobs plan".

If we took this direction we would put Canada back to work. We would give Canadians hope. We would give our country a future built not on smoke and mirrors, not on Alice in Wonderland projections, but on solid economic ideas to give us a real basis for jobs in all of this country.

That is the direction in which we have to move. I hope it is the direction in this next election that people in Canada choose to take.

[*Translation*]

The Acting Speaker (Mr. DeBlois): In the meantime, to avoid wasting time, we will move to Questions and Comments. We will hear the hon. member for Kingston and the Islands, followed by the hon. member for Longueuil.

[*English*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I wonder if I could ask my friend a question about his speech on the budget.

In his speech on page 3 of the budget booklet the Minister of Finance made the following statement:

> Less borrowing, lower taxes, more jobs and more choice: that is the direction in which people want to go. And that is the direction in which this government is going.

• (1510)

Does he agree that this statement is completely false having regard to the fact that the government is borrowing both here and abroad at record levels, that taxes have increased 30-some times since the government took office and in fact now as a percentage of GNP has reached over 39 per cent from a level of about 33.8 per cent when the government took office in 1984, that fewer jobs are available in Canada because our unemployment rate has gone up, not down, and that Canadians are getting less and less choice because of the cutbacks in government programs? Would he not agree that this statement made by the minister is completely false and misleading?

Mr. Langdon: Mr. Speaker, certainly the statement set out in the speech, as is so much in the speech, is a wild exaggeration in terms of the government's achievements.

To suggest the government is achieving less borrowing when in fact its borrowing has increased is simply wrong. To suggest that it is establishing lowering taxes is wrong. This is the government that put the GST into effect.

These are the parents of the GST across the aisle. Every Conservative who marches out to seek votes in this election should carry with him and her a little sign saying "I am responsible for the GST," just to remind people that is where it comes from.

Turning to more jobs, there have been more jobs for Conservative patronage appointees. There have been more jobs in the Senate for friends of the Prime Minister. There have not been more jobs for Canadians.

They promised 550,000 jobs from free trade. What they have given us is a loss of over 400,000 jobs in manufacturing and an unemployment rate of 11 per cent as of the most recent month compared to an unemployment rate of around 7.5 per cent when the free trade deal came into effect.

Dealing with more choice, this government believes that if it gives things to the market we will automatically get more choice. What Canadians have discovered is that by giving things to the marketplace to rule they do not get more choice; they get less choice.

I have just one small example. Let us look back to 1988 when this government was re-elected and think of the airline industry at that stage. There were four national airlines. We had Wardair operating scheduled services across the country. We had PWA operating scheduled services throughout the country. We had Air Canada. We had Canadian Pacific.

This government said: "Let's deregulate. Let's add even more choice." For a little while we had all sorts of little regional carriers throw themselves up into the air. Very soon they crashed to the ground and were taken over by other companies. We now have just two airlines: Air Canada and Canadian, and both of them are sick. We are not getting more choice. We are getting less choice as a consequence of the ideology rather than the thinking this government follows.

• (1515)

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I want to make a few comments on the budget. The government says that it cuts or reduces expenditures—

The Acting Speaker (Mr. DeBlois): I simply want to remind the hon. member that the period for questions and comments is not the time to make a speech on the budget but, rather, to ask a question to the previous speaker.

Mr. Leblanc (Longueuil): Mr. Speaker, I am getting there. Just give me a moment to explain what I have to say.

I was trying to tell the hon. member for Essex—Windsor that the government claims to cut expenditures while in fact it increases them. Indeed, it will increase expenditures by close to $3.6 billion this year, and by $3.1 billion next year. In the following five years, in spite of claiming that it is reducing expenditures, the government will spend $12.5 billion more. In the meantime, the government thinks it will get extraordinary revenue, based on the anticipated growth, which is unrealistic.

I want to ask the hon. member for Essex—Windsor what he thinks of all this. For example, why did the government not think about overlapping and duplication in the fields of unemployment and manpower training? This duplication exists in every department. We know that between Quebec and Ottawa, this duplication costs something like $3 billion. This means that in Canada we

could save at least $10 billion if we eliminated this duplication between the provinces and the federal government. We could have saved $10 billion per year right there.

What does the hon. member for Essex—Windsor think of the fact that the government claims to cut while it increases expenditures every year in its own books, that is by more than $10 billion over the next five years? It is absolutely inaccurate and totally unrealistic to claim that economic growth in 1993–94 will reach 4.5 per cent. What does the hon. member for Essex–Windsor think of the fact that the government did not take appropriate measures, such as putting an end to the duplication of government operations?

Mr. Langdon: Mr. Speaker, I agree with the hon. member. In spite of all its declarations, the government has decided to increase its expenditures. You can see it on page 19 of the English version and on page 21 of the French version. The hon. member is absolutely right.

My colleague also asked if we could not save money and reduce expenses through a transfer of responsibilities to provinces, for example in the field of manpower. Personally, I believe that we must have a national manpower policy. We must have such a policy to create a national economy in which each worker would be able to go from one work place to another and to work anywhere in Canada.

[*English*]

The Acting Speaker (Mr. DeBlois): I am sorry but the time for questions or comments has now expired.

[*Translation*]

The subamendment tabled by the hon. member for Essex—Windsor is in compliance with the Rules and is therefore admissible.

• (1520)

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I think everyone will agree that my colleague, the Minister of Finance, tabled a responsible and decisive budget.

The fiscal plan set out in the budget builds on the action taken last December, by extending and deepening the expenditure reductions. While recent fiscal pressures have resulted from revenue shortfalls, the solution is not to raise revenues. It is to learn to live within our means.

With this action, the deficit target for 1993–94 will be met and there will be no new borrowings by the end of the fiscal planning period. Achieving these fiscal objectives is key to sustained economic expansion and the job and income gains that will come with it.

My remarks will provide additional context and detail on the measures announced in the budget, particularly the reductions in the cost of government. This action will over time have a major effect on the operations of government and the management of the Public Service.

These measures, together with the reductions announced in the economic and fiscal statement tabled in this House last December, will yield expenditure savings of $7.5 billion in government operations over the next five years. This is a major contribution to the total debt reduction effort of $30 billion. These cuts build on this government's ongoing commitment and actions to reduce operating costs and increase effeciency in government.

[*English*]

As set out in the budget, operating budgets and reserves for contingencies and new initiatives were reduced by $300 million in 1993–94, rising to $1.2 billion by 1997–98. This means that for the last four years of the fiscal framework the operating reserve is being reduced by 50 per cent from an already tight level.

Last December non–defence operating budgets were reduced by $1 billion in 1993–94 and by $1.7 billion in 1994–95. Taking into account the budget measures announced yesterday, the typical manager will in effect face an operating budget reduction of 3 per cent in 1993–94 and 5 per cent in 1994–5, reaching 10 per cent by 1997–98.

The reduction in most grant and contribution programs to organizations and interest groups announced last December will be extended and deepened to 15 per cent in 1995–96 and to 20 per cent in future years. These reductions will be implemented in a prudent and reasonable manner reflecting government priorities.

We recognize that given the magnitude of the reduction a fundamental review of a number of existing programs will be required. Scarce resources will have to be devoted to funding the highest priority programs.

[*Translation*]

The Minister of Finance also announced a number of other reductions across government: regional funding, the green plan, granting councils, international assistance, defence, social housing, the CBC and VIA Rail. We are far from being alone in a financial crunch. Most countries are facing tough economic and fiscal situations and most are responding to the large revenue shortfalls by taking similar action to reduce expenditures.

• (1525)

Closer to home we have only to look at the recent provincial budgets and statements. These reinforce the harsh reality that restraint is not just the order of the day, but of years to come. In the earlier years, we used restraint in large part to cut the fat that had accumulated from years of steady growth in government expenditures. As time passed, departments and agencies have had to find more innovative ways to deliver programs and services. They have had no choice to undertake productivity-increasing investments, and to make better use of their shrinking resources.

The demand for services increases with population and so do workload. Departments and agencies are pressed even more vigorously to re-engineer their administrative overhead and to deliver services at lower costs. Resources are having to be redirected to the point of service for the client and away from overhead and administrative processes.

Departments have no choice but to seize every opportunity for efficiency gains from investments in training and development and in information technology. This by itself is not enough, however, as we no longer have the means to pay for all the current programs, even less to tolerate duplication of services and other inefficiencies.

[*English*]

These latest measures will necessitate taking a hard look at priorities and making some difficult choices indeed. As I said in my speech during the debate on the December economic and fiscal statement, it will simply not be possible to do more with less.

In some instances activities will be reduced and points of service delivery closed. As an example, there are currently 64 Canada immigration centres. These points of service are being reduced to 51, of which 22 will be co-located in Canada employment centres. External Affairs is closing nine missions including three embassies. It will also mean getting out of some lines of business.

Reducing the funds available for government operations will have an effect on employment in the Public Service. Currently salaries account for roughly 55 per cent of operating budgets. Assuming this proportion is maintained in coming years, we can expect that the reduction in total employment resulting from this budget will be approximately 16,500 by 1995-98. Indeed, based on past experience, the number of people affected will be significantly higher once the impacts of changing program priorities, service delivery innovations, new information technology and organizational adjustment are taken into account and as the mix of skills and people within a department and across departments continues to change over time.

In the period from 1985 to 1990, while the net reduction in employment was 10,700 it is estimated that approximately twice this number of positions were eliminated while new positions in other program areas were created.

A substantial portion of the anticipated reduction in total employment of 16,500 can be handled through retirements and resignations. We must not forget that some 9,000 employees leave the Public Service each year. However it is not realistic to assume that we will be able to manage all personnel reductions through attrition.

• (1530)

Most of the government's administrative and program operations are being redesigned to increase efficiency and the resultant changes will inevitably produce an imbalance between the skills needed and the skills available in a particular location. This is not unique to this government. It is much the same in the private sector and in the other levels of government.

As a practical matter employment in the federal public sector actually increased in 1992 by about 1,000 to a little more than 235,000 people. This reflects a wide range of increases and decreases across departments and agen-

cies. Five departments and agencies showed employment increases of 300 or more in 1992, specifically Employment and Immigration Canada, Revenue Canada Customs and Excise, Correctional Services Canada, Health and Welfare Canada and Agriculture Canada. Four departments showed a decline of 300 or more: National Defence, Revenue Canada Taxation, Transport Canada and Statistics Canada.

In areas where there were reductions the persons affected did not necessarily have the skills needed in departments that were growing or these employees were not able to take advantage of these new demands because of their location.

The numbers are only part of the story. I do want to emphasize that the underlying purpose of the action we are taking is to secure savings in government expenditure. It is not to reduce the work force.

In the world of the 1990s the government needs employment policies that promote a flexible and more adaptive federal work force. Existing policies, including the work force adjustment directive, must be reviewed. There are aspects of the directive that we can no longer afford in the present economic climate. There are others which severely restrict our ability to modify the shape and size of the work force.

Therefore the government will seek some basic changes to the directive to give managers added flexibility. We will continue to fulfil our responsibilities as a fair employer but we must do so in the context of the economic and fiscal realities of the 1990s. We will invite unions to work with us toward realistic arrangements during negotiations beginning this summer as part of the regular triennial review.

We believe that public servants understand the economic realities faced by the government. I do believe that they understand these realities. I am convinced that they and their unions will want to work with us in finding innovative solutions to the problems we are facing. We are currently consulting with departments on this and are not ready to set out our proposals. Clearly we will be seeking significant changes.

[*Translation*]

As I see it, adaptability and innovation in the Public Service is key to its long-term effectiveness. This means that the institution as a whole, its organizational units, its management and every one of its employees must be able to adapt quickly to change. We must also continually strive to find better ways to deliver government services more efficiently.

One approach is to use information technology in new ways to improve administrative and program delivery processes. Information technology allows us to provide services to clients at lower overall costs to the government and, in many cases, to the clients.

The government is aggressively pursuing electronic means for conducting many of its routine transactions. This strategy also hinges on the use of electronic data interchange or EDI and complementary technologies such as bar coding.

Over 20 EDI initiatives are now under way, including electronic documentation at ports of entry, collection of remittances for GST and source deductions, electronic filing of GST and personal income taxes, and many, many others.

• (1535)

I am proud the federal government is becoming a leader in implementing EDI in Canada. Indeed I am pleased to note that on June 30, Supply and Services Canada's new electronic initiative FASTRACK will begin directly linking suppliers electronically with federal departments and agencies. This use of EDI for the procurement of goods and services and, in future, for related payments will mean lower costs for the government and for its suppliers. It will also contribute to an EDI-capable business sector, enabling it to better compete in the global economy.

We are innovating in other ways. We have established 12 special operating agencies and four more are on the way: Indian Oil and Gas Canada; the Transport Canada Training Institute; Translation Services; and Surveys and Mapping. The last three were announced in this Budget. They are service oriented operations given added flexibility to apply the best management practices in order to improve service delivery. Many Canadians have seen the improved service provided by the Passport Office, an early special operating agency.

Across Canada, 129 InfoCentres have opened in Canada Employment Centres to provide Canadians with basic information on government services to more conveniently. Twelve departments are working together to make services available to the public through common government, rather than departmental, access points.

Through these InfoCentres clients can receive basic information on more than 50 of the most commonly used government programs like pensions, training and unemployment insurance, and bidding on government cheques replaced. They have access to hot-line services to departments when they require answers to more complex questions. Facilities are also made available for clients to meet with departments on specific matters—income tax advice for example.

We are also changing how we provide services to the business client who is confronted by a bewildering array of federal, provincial, municipal and private sector services.

The Canada Business Service Centres (CBSCs) are one among several initiatives. There are currently three CBSCs in operation, in Edmonton, Winnipeg and Halifax, which provide the business community with quick and accurate referrals to government services, programs and information at a single point of service. They are serving as the pilot for a network of single-windows that will soon extend from coast to coast. Discussions have begun on three others and it is our intention to establish a CBSC in at least one major urban centre in each province.

In Edmonton, the CBSC is a shared walk-in centre operated through a partnership of 15 federal departments and agencies.

[*English*]

To conclude, I was pleased to see that the premier of Alberta announced last week in the legislative assembly that his government intended to reform the regulatory system. I congratulate him and offer my support to any of the other provinces that choose to launch their own regulatory reviews. They can count on the co-operation and support of my colleagues and myself. We are eager to share the experience we have gained in our own milieu and we will provide whatever assistance possible should the provinces decide to move forward in this area.

[*Translation*]

In conclusion, I recognize the contribution that public servants have made and will continue to make, as we grapple with these difficult issues at a time of sweeping changes in government operations. Public servants are not afraid of these changes.

Unlike our hon. friends opposite, they are not afraid. These are people who deal with the public. They—and I address this to Public Service employees at all levels of government—must forge a strong sense of common purpose that they are all serving one taxpaying public, and that their well-being is inextricably linked to that of this public. This goes for us politicians too.

• (1540)

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I would like to ask the minister a question about the information centres the government has established so that people can inquire about all the various services it provides.

[*English*]

In my constituency of Kingston and the Islands it has set up one of these places. Seniors have to walk to it because it will not take telephone calls there and it does not give out its telephone number. Seniors have to telephone Ottawa on a 1-800 number, which is busy whenever they call. People wait 30, 40, or 50 minutes, they dial and dial and cannot get through because this line is tied up all the time. When they do they get a different person every time they call and have to provide different information. There is no continuity and there is no co-ordination. People are very angry at the lack of service.

The minister tries to pretend this is all just rosy and that everything is improving. It is not. It is getting worse. In his budget yesterday the Minister of Finance talked about Canadians having more choice with this government. They are getting less choice. They are getting poorer service. They are getting rotten service from this government because of its constant closure and shift to these so-called more efficient systems. This is not more efficient. This is costing Canadian taxpayers a lot of money because they have to make all these telephone calls and repeat themselves time after time when they phone because the person they are dealing with is never the same.

It is a hopeless system. The minister must know it. Why does he not abandon this? It is fine to lump them all together. That may make sense, but then make the office accessible to the public and not on some distant bus route so that people who have difficulty getting out and about are forced into phoning Ottawa or Toronto in order to get information.

It is a ridiculous system. The minister must know it. For him to stand with a straight face and tell us that everything is just great stretches all belief. I can see why he switches languages. He would want to say it in another language so that some of us cannot follow the logic because there is no logic to it.

I would appreciate the minister clarifying this for us.

[*Translation*]

Mr. Loiselle: Mr. Speaker, the hon. member for Kingston and the Islands also tried to throw me by switching from French to English, but I think I understood what he meant.

I want to tell him that the experience I have had with information centres is quite extraordinary. You may have heard of a successful initiative in Quebec called Communication–Quebec, for which I was responsible. I dismantled a highly centralized service and established centres in the various regions so that citizens could have support in their dealings with the government. That is similar to what we have been trying to do with federal organizations. In every area, we noticed a proliferation of organizations, representatives, departments, bits of departments and a lack of means. We obviously do not have the means to provide complete services to residents from every region of this country. That is impossible. We need to ensure that the information is stored somewhere and that there is a centre where people can get support when they deal with the government.

Many such centres in Canada are very successful. We are working with Communication–Quebec and other provincial governments and I am sure these centres will get better. I am not saying there are no errors and no problems, but the alternative to these centres is nothing at all.

[*English*]

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have two short questions.

The minister talked about reductions in staff. He did not mention reductions in service. Neither did he mention the increase in the use of outside contractors to do the work.

I wonder if the minister has had any studies done or has done any which he could share with us showing that the use of outside contractors has actually saved the government money for the same level of service.

I have another question. Among the departments he mentioned where staff reductions have been considerable was Revenue Canada. Year after year I have heard the Auditor General say that if the department had hired more auditors each one of them would bring in perhaps 10 times as much revenue as it would cost for that employee. I wonder if it is cost effective to reduce the staff in Revenue Canada as much as has been done.

The last Auditor General's report said that some $500 million to $600 million of revenue is being lost because corporations are moving their incomes out of this jurisdiction into others that are more favourable to them. With auditors Revenue Canada would we be able to capture some or all of that $500 million to $600 million?

• (1545)

Mr. Loiselle: We are not proceeding with staff reduction because we want to reduce staff *per se*. We are just looking for ways to make the delivery of service as efficient and as inexpensive as possible.

I am sure that the hon. member is aware that as of April 1 this year we changed our administrative system to operating budgets. Each department is given an over–all operating budget within which they can move their resources around to get the best mix to deliver services.

Sometimes I have the feeling that the hon. member or the people across the aisle believe that the purpose of the Public Service is to be a big employment agency. We are not here to hire people. We are here to deliver services with people. If we can find a way of doing it better at a lower cost then I do not see what on earth should prevent us from doing it.

I think civil servants understand this. I am convinced that the number of reductions over the coming years will be very light compared to the size of this government's operation, which is close to a quarter of a million employees. Compared to any organization in Canada of a small, medium or large size that has had to get rid of hundreds of thousands of people, we have been very

attentive to our work force and have been very protective and we intend to continue to do this.

However the purpose of government services is not to find jobs for people, it is to deliver service professionally, efficiently, with the best possible people and at the lowest possible cost.

If there is a way of doing it with fewer people why should we not do it if we can save money? Why should we spend money just for the pleasure of repeating these mistakes of the past?

As for contracting out, yes, we can contract out when we find that it is a more efficient way of doing things for short-term action or areas in which we do not want to be involved forever. It could be snow removal or things of that sort which occur at certain periods of the year. We cannot have permanent staff just waiting there for winter to arrive so we use the private sector. They compete against each other and in this way we can lower our costs. We recruit excellent, well trained managers. We train them when the need occurs and they are asked to provide the services. They are given a budget and they must account for it. They have to devise ways of trying to do as much and more if possible with as little money as we can give them.

Basically this is the philosophy. It is not a religious approach. It is just a practical approach that Canadians expect from us.

Mrs. Marlene Catterall (Ottawa West): I see that I have to be very brief.

This budget has repeated promises to reduce the debt and deficit the same way the government has done for nine years. We all know that this has not resulted in a reduction but in an increase in the debt and deficit.

I wonder if the President of the Treasury Board has paid any attention whatsoever to the report of the Conference Board of Canada that commented on the December 2 financial statement. It said that the over-all impact of the measures of the government will be contradictory and will lower the real GDP rate by roughly 0.1 per cent—that is in fact 10 per cent of the expected GDP increase—and by 2 per cent in 1993. It promises that the dampening effect on economic recovery would be even greater if the provinces followed the federal government's example of restraining public sector wages and employment. Does he realize the impact of the decisions of this budget on economic recovery?

Mr. Loiselle: I wish the hon. member would help me reconcile this with the statement of the House leader today in this House who blamed us for not cutting enough and reducing our expenditure enough.

This is the problem that I would like her to address. Who should I believe? Do I take into account her remarks or the remarks of the hon. Liberal House leader? He told us that we have been trying to tackle our expenditure and deficit and that we have not been successful. Each time we cut $1 million it was opposed.

• (1550)

We have been trying and we have been successful. We have brought the deficit down compared with the GDP, which is very important. It is half of what it was. It is not enough and we want to do more. We had a statement in December. There was some slippage. We are taking corrective action. We will continue to fight. It is very difficult to do but we are not going to abandon it.

Our commitment is to put this fiscal House in order. We do understand that we have to keep a balance. If we had taken more out of the economy at this stage—we have taken $3.8 billion from the coming year—it would have had a greater impact.

I think the Liberals should make up their minds which way they want it.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, it is always a pleasure to rise on behalf of my constituents in this House of Commons, especially on this occasion when I am given the opportunity to speak to what is not only a pre-election budget but also this government's last budget. I know that Canadians rejoice that they will not have to deal with this particular government much longer.

I wondered when I sat in this House yesterday, why we went through this exercise. There were so many balloons floated up before the budget came out. All of a sudden the budget came and there was really nothing in it. If one wanted to speak to the budget at all one could only deal with the impact of this particular statement or budget on this particular year because obviously there will be a new

leader within 60 days. There will be an election and there will be a new government with very many different faces sitting in this House of Commons. All we can talk about is the first portion. The rest is all conjecture and whatever nice things they want to say.

Let us look at what happens in this budget for 1993–94. The government is saying that it is going to cut things to the tune of I believe $3.8 billion. Let me remind Canadians that in December's economic statement it was cutting by $2.8 billion. Therefore it has only found approximately $1 billion. Of that $1 billion one of the savings, so to speak, is going to be some $625 million in GST refund cheques. It is not really saving that money. It is just not going to give out refunds in January 1994. It is going to wait until the end of its fiscal year, which is March 31, 1994. One will get one's cheque on April 1. In that way on the government's books it can show a decrease in what it is paying out on GST rebates of more than $600 million for the years 1993 and 1994.

There is not really a lot in this budget for 1993–94 in terms of cutting. That leaves maybe another $250 million or $300 million that is going to be cut from a number of other areas such as advocacy groups. The list goes on. I am just wondering why.

Prior to the budget coming out I happened to read an article in *The Ottawa Citizen* of April 20, 1993 written by Mr. Don McGillivray: "Usually a budget represents the dollars and cents form of a government's agreed policy. This time it is being presented when the governing party does not know who its leader will be in 60 days or who that leader will choose as finance minister or what will be the economic policies of the new minister and future finance minister. In other words, a budget now is a lame duck document, an interim financial statement from an outgoing administration. Mazankowski, since he is in temporary possession of the taxpayers' cash, has the power to issue political pamphlets at public expense."

Is that really the only reason that we have this budget at this time? Is it so that this particular government, at taxpayers' expense, can go out and boast and brag about all of the things that will happen when it is not there any more? As a matter of fact, some of them will happen after a second election.

• (1555)

One realizes there is going to be an election this year. There has to be one. Other projections go as far as five and six years from now. There could be many elections between now and then. I find it very strange to hear those members boasting about how they will cut the deficit by $30 billion and how they will reduce the debt in four or five years.

It is all really a game. I do not believe that Canadians appreciate being used in that fashion. I wonder at the mentality that carries this on because it has built Canadians up to expect some massive cuts. Did it believe that when it did not have the massive cuts that all Canadians would celebrate and vote Conservative next time around? I do not think the government gives much credit for intelligence. It is high time it considers it. On the other hand we do not have to worry about it because it will be gone after the next time.

Before the minister brought in his budget he spoke proudly of the fact that Canadians will get what they want. He clearly stated yesterday that there will be no new taxes or tax increases. Obviously we cannot afford more increases. We have already been taxed to death. This is the government that raised taxes of all kinds at least 35 times in the last 9 years.

As the Liberal leader stated, the tired old Conservative government is obviously showing more concern for its re-election plan than for the welfare of the Canadian people. It is clear that this government is committed to a jobless recovery.

The phrase jobless recovery comes from the *The Work of Nations* that is a book written by Robert Reich while he was still at Harvard. By the way this Mr. Reich is the Secretary of Labour for President Clinton. Reich took the American context to apply this term.

However unfortunately for Canadians the Tories have transplanted the reality of a jobless recovery onto the Canadian scene. That means that yes, we do produce more goods. Some corporations may make larger profits but it all has to do with increased productivity and no new jobs. That is where the term jobless recovery comes into the picture.

Canadians want to work and they want recovery but they also want good paying jobs. Right now they are underemployed and unemployed by the hundreds of thousands. As a matter of fact we have a figure of unemployment but that does not bring into consideration

the large number of people who work at part time jobs and short term contract jobs. It is especially crucial for our younger generation made up of those young people who are now in their twenties and have graduated from university and who are out there looking for work. It is especially frustrating for them.

It leads me to believe that this government has almost decided to write off this generation. We cannot afford to do that with the brilliant minds of our young people and the skills that some of them do possess.

Unless Canada rebuilds the infrastructure that serves its industries and more importantly that provides and improves the skills of its workers, then economic recovery may generate few new jobs. There is absolutely nothing in this budget that will get the economy moving again and put Canadians back to work.

The government is telling Canadians: "Yes, we are coming out of the recession and therefore our economy will be recovering." However it fails to recognize that the economy is undergoing a fundamental restructuring. The government has no detailed economic plan to nurture innovation, training and infrastructure that are the building blocks of a strong and prosperous economy.

Not too long ago Statistics Canada announced that the recession was over. It along with the Conservative think-tanks based their optimism on a selective set of statistics: rising exports, falling interest rates, continuing low inflation and a decline in the rate of personal and business bankruptcies.

• (1600)

Facts and figures that do not fit this cheerful scenario are ignored. I am referring to the still surging tide of lay-offs, the growing number of poor and homeless, the lengthening line-ups at food banks and welfare offices. We are in a state of social distress.

Bankers and business executives say that what counts is the upturn in profits. Prosperity is measured in corporate balance sheets, not in job creation.

Governments have seen to it that in both the public and private sector job cuts and more job cuts are necessary for Canada to become competitive. They tell us monthly that it is part of an economic restructuring process.

Restructuring is the current buzz word in business and government, but what does it really mean? The dictionary definition is "to replace one structure with another." I would like to know where the new economic structure is for Canada. Can we see the old economy being torn down while we look in vain for its substitute? If it exists even in the planning stages, it certainly is not discernible. Neither are the new jobs that the victims of restructuring so desperately need. We do not know where they are coming from.

One of the tragic downfalls or victims of these policies is of course our young people. Generation *x* is the contemporary way to describe the lost generation, the followers of the baby-boomers. Young people today and generations *x*, *y* and *z* to follow will find it difficult to get jobs of any kind.

This is this year; I am not talking about the future. Young people cannot find jobs now. Many of them graduated from university this year. Many graduated two years ago and are out there in the job market. Many of them are looking for summer work to pay for their studies. Where are they going to get this help? Certainly not from the Conservative government across the way.

I can speak on this because I have children in that age group. Their friends and all of the people I know in their age groups have a very difficult time getting jobs. They are smart, and like to work. They want to work and are well educated. It is a crime to see them not being able to use their skills.

I want to talk about the deficit. It is fine to speak of dealing with the deficit. Let us face it. This government has made it a religion to talk about deficit cutting and debt cutting.

In 1984 the Minister of Finance, the hon. member for Etobicoke Centre, said he had a plan. He warned that if this plan was not implemented net public debt would more than double from its level then rising to over $400 billion by the early 1990s. Imagine how terrible it would have been had we only been at $400 billion for the debt. We are at $450 billion. That is how well this government has looked after this religion of deficit and debt. After nine years they are higher than what was predicted.

In 1985 the then Minister of Finance again said that he was in control. He said it over and over. In fact he was so confident that he subtitled his May 23, 1985 budget speech "Securing Economic Renewal" and told Canadians how he was going to reduce the debt and deficit. This is what he said: "I am implementing a clear and realistic medium-term plan to control our debt. We have put in place a plan that will meet the need for sustained reduction of deficits over the medium term. We have acted to control and reduce deficits in a balanced and careful way that will not tip the economy off its course of growth."

The result was not good. It was a shrinking economy, massive unemployment and line-ups at food banks and the UIC offices. It was what the Conference Board called a made-in-Canada recession.

• (1605)

As recently as the February 1990 budget, the Tories told us that the $30.5 billion would be reduced to $14 billion by 1993. It is now 1993 and the deficit has been clocked at $34.4 billion. Of course now we have been told that it will be $35.5 billion. It continues to be far more than what they have said it would be.

Now the Minister of National Defence says she is going to eliminate the federal deficit within five years. The Minister of the Environment says he can do it in four. But they do not say how because they know it cannot be done without radical cuts to social programs and transfer payments.

Even then we do not know that economic growth would follow. Even the Minister of Finance knows it cannot be done as quickly as what they are saying. He said that if the whole government operation were shut down it would not balance the deficit. We would save $15 billion or $16 billion and the senior citizens and the veterans of this great country would not be receiving their cheques. This was in an interview on CBC *Prime Time News* in December 1992.

Maybe that is why none of the Tory candidates are talking specifics when it comes to investing in people or helping Canadian firms to get ready for NAFTA. They do not understand that any successful battle against the debt and deficit will require not only expenditure cuts but also a thoughtful plan for economic growth. Only then would we put Canadians back to work and generate the additional revenues to put Canada's fiscal house in order.

I said today in Question Period that governing is about choices. This government is the one in the driver's seat and it makes the choices. It has chosen to do nothing. It has chosen to ignore Canadians and their need for real hope. If hope is not given to Canadians, even those who have jobs fear they will lose them. They hold back and do not buy the things that perhaps they would if they had a little bit of hope and faith in the future.

We then fall into the vicious cycle of restraint and depression. Sales go down. There are bankruptcies and people get laid off. It continues on and on. It would have been a great gift to Canadians if after these terrible nine years of government it had at least tried once during that time to do something for the average Canadian.

The government should have tried to do something for those Canadians who are crying for hope and who want to work. Canadians are hard working and they like to have this independence. They want to share in the wealth of this country. It cannot be done when they are without work and without hope. Young people need a chance to build a life for themselves so that they also can pass on the benefits to their children in the future.

We know any government that takes over will have to deal with the deficit. There is no doubt that we all will. It is not whether we will or we will not deal with the deficit; it is how we will do it. We will do it by redefining government, by refocusing the powers of government to serve the people of Canada. We will not do it by spending more, but by reallocating government priorities.

Canadians know this and we know Canadians are worth while. The more they work, the better it is for this economy. The better it is for this economy, the better the regions of Canada will fare and the more able they will be to contribute to the wealth of this country. All that they ask is to be given half a chance.

• (1610)

[*Translation*]

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I listened very carefully to my colleague who mentioned in her speech that Canadians were expecting massive cuts. From what the hon. member said at the beginning of her speech, you would believe that no major cuts were announced yesterday. Yet, during Question Period, her Liberal colleagues spent an hour accusing

the Minister of Finance of having made monstrous cuts. They cannot constantly speak from both sides of their mouth. They have to make up their minds in the end: either there were cuts or there were not. Today the hon. member is saying that there were no major cuts and that we did nothing to reduce the deficit, but her own colleagues said the opposite for an hour during question period.

Mr. Speaker, the hon. member also mentioned that these policies hurt young people, but the fact of the matter is that they are actually victims of Liberal policies. It is the Liberal Party that let government finances get out of hand, which in turn compromised the future of young Canadians. That is what they are victims of. They are victims of this accumulated debt, while we are trying to be fair and equitable. It goes like this: "We want to have a good time. So what if we get into debt. Let the next generation pay." That is what the young could be victims of if we do not act immediately.

Let me remind you, Mr. Speaker, and the hon. member that every budget reduction measure taken by this government over the past nine years has been systematically opposed.

An hon. member: This is a speech!

Mr. Robitaille: It is not a speech, just comments I am making as part of this period for questions and comments. Wake up! Take the time to come in, then you will know what to talk about.

A few days ago, we heard how the leader of the Liberal Party would solve the deficit problem. He would bring the deficit down to 3 per cent of gross domestic product. I would like to remind the House—and I am getting to my question—that in 1984, when this government came to power, the deficit as a proportion of GDP was 8.5 per cent, but it is now down to 5.5 per cent. I think this is not a solution in itself but rather an objective.

I am getting to my question. The hon. member is right, some of our predictions were off the mark. Bear in mind however that these previous budget forecasts were off the mark because revenues were down, not because expenditure controls were not fully adhered to.

In this budget, and this is my question, policies to assist small and medium-sized businesses are pursued to create jobs, research and development assistance is maintained and there are no tax increases. Are the hon. member and her party prepared to support a budget that will continue to provide assistance to the small business sector for job creation, without increasing taxes?

Mrs. Marleau: Mr. Speaker, I have to respond to one of the statements made by the hon. member. He said that Canadians wanted to treat themselves. I can tell you that the Conservatives have been treating themselves and their friends for nine years. They loved those nine years. The prime minister is still treating himself today to a trip around the world. Why? Maybe he is looking for a job, I do not know but he tells Canadians to tighten their belts. It is okay for them but not for him. He has to go and play the big shot around the world because his mandate is coming to an end. Nobody can tell him what to do any more.

Small business owners cannot afford such a trip around the world.

Mr. Robitaille: Answer the questions.

Mrs. Marleau: Small business owners have big problems with taxes imposed by this government. I know the Tories have not raised taxes this time, but have they not done enough to destroy those small businesses? Tell me, it is impossible—

Mr. Robitaille: She is not answering the questions.

The Acting Speaker (Mr. DeBlois): Order. I would ask the hon. member not to distract the Speaker who is listening carefully and I would ask the hon. member for Sudbury to conclude her remarks.

[*English*]

Mrs. Marleau: Mr. Speaker, the hon. member talked about small business. I can say that when I visit the small businesses in my riding they are dying under the load of increased taxation this government and the provincial government have imposed upon them by the layering of taxes. There is nothing they would love more than to see the delayering of these taxes so they do not have such an horrendous burden.

• (1615)

[*Translation*]

Mr. Robitaille: Mr. Speaker, a point of order. I would point out to the Chair that the member did not answer my question.

The Acting Speaker (Mr. DeBlois): I would say to the hon. member for Terrebonne that raising such a point of order is almost an abuse of the Standing Orders.

The hon. member for Rosemont.

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, every time a budget is presented, we are given this vision which is very tough, where we are told to tighten our belts because we must be more competitive, reduce the debt and the deficit and take measures for economic growth. On the other hand, the opposition presents the views of the unemployed and concern for social programs. However, everyone listening to us knows very well that the economy must be growing and jobs must be created in order to maintain our social programs.

The member for Terrebonne has just said that the government had met its spending objectives but not its revenue objectives. The question is why these revenue objectives have dropped.

We must strike a balance. It is wrong to say that we can be competitive and have economic growth without looking after social problems. In a modern economy, the two go together. Clearly, what is lacking in this country is a minimum of consensus on clear objectives.

We must remember that the Conservative government in 1984—perhaps few people remember—called a national conference of all economic partners. There was only one, it was a failure and another conference like it has never been held.

Nevertheless, countries which succeed—

The Acting Speaker (Mr. DeBlois): Order, please. I may be distracted, but we are still in the period for questions and comments so I would ask the hon. member to conclude.

Mr. Tremblay (Rosemont): Mr. Speaker, we are trying today to find a way to have both economic growth and full employment. As the Minister of Finance illustrates in his booklet with many international comparisons, some countries are much more successful than Canada in achieving a total performance, that is, not only economic growth and competitiveness but also job creation and maintenance of social programs, but in all these countries, there is co–operation between the governments and those involved in the economy. This government's failure is its inability to co–operate with the other players.

The Acting Speaker (Mr. DeBlois): Order, please. Time is up. In all fairness, I must recognize the hon. member for Sudbury, because we are still in the period for questions and comments.

Mrs. Marleau: Mr. Speaker, it is very kind of you to give me the last word. My message to the Bloc Quebecois is this: it is much better for us to work together as Canadians because unity is strength. I think that our problems are in part due to the fact that we are always quarrelling with one another. We spend so much energy, money and time on these issues that we do not concentrate all our efforts on the economy, where we should be working the hardest.

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, before commenting on the new budget brought down by the Minister of Finance, I would like to say that I have agreed to share my speaking time with another member of the Conservative caucus.

Since 1984 I have attended nine budget speeches, eight by Mr. Wilson and the last two by Mr. Mazankowski.

• (1620)

As soon as debate started on the budget, opposition parties would rise to say they were either unhappy about tax increases, because there were some tax increases initially, or about spending cuts. That is what they would say, and later on, when they had to vote on the budget, they always voted against spending cuts and tax increases of any kind.

There were also the reactions of Canadians to these speeches. Some groups felt they were penalized by specific measures in the budget which had a negative impact on them. Other groups said the government was not doing enough to cut spending, at a time when they felt spending cuts in departments should be accelerated. The government kept on gradually cutting back spending and has now stopped raising taxes.

The results in the medium term, and I am not referring to the budget's impact in the media the day after the budget speech, have been such that editorial writers, economists, entrepreneurs, business people and consumers appreciated how our economy has developed and prospered in the process.

During the past 12 months, four major provincial governments brought down their budgets and made certain economic decisions. The most obvious example is the socialist government in Ontario, which now supports spending cuts and is against big tax increases. This is a first, but it is also the first time this party has been in power.

We also have a socialist government in British Columbia. The party's philosophy has been to spend money they do not have. Here again, the party finally realized it was time to live within one's means, and its budget contained more restrictions on spending and tax increases.

We saw the same phenomenon in Saskatchewan, where the country's third socialist government has cut spending and does not intend to introduce undue tax increases. Premier Bob Rae of Ontario told party supporters—the groups that elected him and Ontario's major unions—in order to justify the position he was about to take on major budget cutbacks: we have to be careful, and maybe it would be nice to get some guidelines from the International Monetary Fund. The Premier of Ontario is prepared to abandon the concept of running a government independently by saying they would welcome a statement by the International Monetary Fund that they should apply further restrictions to government spending in Ontario. That is an important point.

We in the Conservative government did not wait for instructions from international organizations. We adopted measures that prevented foreign lenders from calling the loans because we Canadians have a foreign debt of $275 billion to $300 billion. If we did not adopt restricted measures, interest rates would go up, the dollar would go down and inflation would increase. We would have the same problems we had in 1984, after the Liberals lost the election.

• (1625)

Today, our policy is to control spending constantly instead of making a sudden break with the past, which would have been disastrous for the economy. We have always preferred to reduce spending and control tax increases. What has been the impact of this policy so far? The best news is that in every Canadian family, in every household, every single taxpayer is paying interest rates of 5 to 6 or 6.5 per cent. Today people are not experiencing a reduction in the purchasing power of their dollar, as was the case when we had 12 to 14 per cent inflation in 1982. Today inflation is around 1.5 per cent.

The Canadian dollar enjoys respect throughout the world, and that is why every Thursday, when $8 billion changes hands, lenders still have confidence in the Canadian dollar and interest rates are gradually going down.

That is also the message we were given yesterday. We will continue along the same path. In conclusion I would like to quote the opening words of Mr. Mazankowski's speech yesterday: "No new taxes. No tax increases". That is what we heard yesterday. Zero real growth in federal spending on programs and services. We will not spend more than in previous years.

It is the lowest federal program spending as a share of the economy in more than 30 years. Despite sometimes outlandish criticism of our budget, that budget stays the course Conservative budgets have followed since 1984, and it will guarantee a further economic recovery and economic expansion during the next five years.

That is why I am proud to be a member of this government and to take part in this debate on the budget. I hope we will hear at least a few positive comments from the opposition, and I also hope that some opposition members will give the government credit for what it has done and vote in favour of a *status quo* for government spending and against tax increases for this year.

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, could the hon. member for Lévis explain to me how he can be so proud of the financial policy of his government when, on page 15 of the budget, the Minister of Finance tells us that, even in 1998, the Canadian economy will not have regained its full production potential?

Mr. Fontaine: Mr. Speaker, I thank the opposition member for his question. I will take this opportunity to explain to him that, since 1984, international circumstances have definitely changed. More and more, every country of the world is living in a global context. We

cannot say that the situation was exactly the same in the previous decade.

We must take this global change into account. Also in the last few years, we went through a period where the Canadian economy experienced some depression caused, among other things, by external factors which led to some stagnation in our industrial process, the production process, and that definitely delayed some tax revenues.

That gave us additional challenges. We asked ourselves at one point if it was better to print money and reduce its value. We decided to go on the same road of restraint, and some are claiming that we are still going in the right direction, although the goal is a little farther away. This claim is shared by the Organization for Economic Co-operation and Development, which comprises 24 European countries, by the International Monetary Fund, and mainly by the holders of Canadian bonds, the foreigners who are holding the Canadians' debt totalling more or less $275 billion. Those people must continue to believe in our fiscal policies and as a result of the budget, they do.

• (1630)

[*English*]

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I welcome the opportunity to participate in this budget debate. I want to concentrate particularly on one portion of it, which I view as an olive branch being offered by the Minister of Finance to his provincial counterparts. That olive branch involves the transfer payments that are made by the federal government to the provinces in the form of cash and tax points.

These transfers come by way of three programs: equalization, the Established Programs Financing and the Canada Assistance Plan. The budget indicates the intention to continue these major transfers to the provinces to the point where they will grow by 4 per cent over the next five years. The provinces will receive about $9 billion more than they would if these transfers were restrained to the same rate of growth as all other federal program spending, about 1.5 per cent.

For a province like Newfoundland, for example, allowing this higher growth rate in transfers means over $400 million more. That is almost twice the size of Newfoundland's deficit this year and is equal to $700 for each resident of that province.

I think this is an important gesture by the Minister of Finance and I commend him for it. He is recognizing that there is only one taxpayer. Whether we are talking about the municipal governments and their funding requirements, provincial governments or the federal government, at the end of the day all of these governments have only one source of funds and that is you, Mr. Speaker, me and other Canadians: the taxpayers.

For the past eight and a half years the federal government here in Ottawa has waged a lonely war against the deficit and the debt. The national debt was something like $207 billion in March 1985 at the end of the last year of the Liberal administration that was characterized by chronic overspending on programs and the constant building up of debt. That Trudeau-Chrétien administration left behind a situation which has been very difficult for government to cope with ever since.

I think that it has been made more difficult by the distinct lack of federal-provincial co-operation. Before I touch on that I want to point out that as early as November 1984 this government began to address the problems. The Minister of Finance at that time said in his economic statement: "This government is prepared to lead this process of economic renewal. We have set for ourselves four challenges." First and foremost among those was: "to put our own fiscal house in order so that we can limit and ultimately reverse the massive buildup in public debt and the damaging impact this has on confidence and growth."

He went on to say that because he believed deficit reduction is the key to rebuilding confidence and confidence is the key to growth and job creation: "Controlling the deficit must be our priority for this year and for each year of our mandate. The goals of deficit control and increasing job opportunities cannot be separated."

That was *Hansard*, November 8, 1984. That has been the policy and position of the federal government ever since. I am happy to say we have made steady, solid progress. However, it has not been without difficulty because while we expected every single revenue-increasing measure and every single spending cut and program

curtailment to be opposed by the opposition parties in this House, we also found there are difficulties at the provincial level. There is duplication of bureaucracy and overlap in a number of areas such as forestry, mining, tourism, recreation and others where both levels of government are trying to function.

• (1635)

We have seen a disastrous failure to harmonize sales taxes. A simple harmonization of the GST and the provincial sales taxes would assist in administration, reduce bureaucracy, improve border control possibilities and provide a much needed boost for the small business sector because it would relieve it of having to pay tax on production input costs.

We have seen the destruction of some very valuable federal–provincial programs unilaterally. I cite for example the gross revenue insurance program. The federal–provincial agricultural support program was unilaterally gutted last year by the province of Saskatchewan.

We have seen along the way the imposition of provincial payroll taxes. One cannot help but suspect in some cases that the target is the federal payroll, especially in a province like Ontario. We have seen situations where the federal government has attempted to provide some tax relief by reducing income tax. However, as soon as the space was left open it was more than filled by provincial government tax increases, so we have countless examples of frustration and counterproductive activity.

Just two years ago the provincial government of Ontario, the Bob Rae administration, announced to the world that it was going to spend its way out of recession. This was after six and a half years of the federal government doing everything in its power to bring the spending scenario under control and get the deficit in line. Because it was in a deep hole, the Rae government decided it was going to dig the hole deeper and somehow this would solve the problem. Of course that has been shown to be nonsense. It could not help but frustrate the general direction in which the federal government has been attempting to steer the country. That is why I am pleased with the signal the Minister of Finance has given.

I want to say a little bit about off–loading. So often provinces give federal off–loading as their excuse for some of their problems, suggesting the federal government has cut or reduced its levels of transfers to the provinces. That in fact is not so. I found a very interesting editorial in the *Globe and Mail* of Wednesday, March 24 1993, headed "The facts about off–loading." I would like to quote from it because it sets out very succinctly the new age of enlightenment. It begins by saying: "Now that provincial governments of every political stripe have more or less admitted that the federal government was right all along about the dangers of deficit spending and that they were wrong, we trust they will also confess their error in the ongoing dispute over federal transfer payments."

The editorial goes on to mention the three systems of federal–provincial transfers. It points out that since 1986 the federal government has progressively cut the rate of growth in those payments, eventually freezing them in per capita terms. Since 1984–85 federal transfers to the provinces have increased from $24.6 billion to about $40 billion this year, a 60 per cent increase or about 6 per cent per year. While it may not be enough for the provinces, it is certainly more than other parts of Ottawa's budget received.

It concludes by saying: "No doubt the provinces were disappointed that Ottawa did not increase its transfers quite as fast as they, the provinces, were raising taxes at home, but the only reason that has been a problem for them is that their spending went on rising as if it had. But Ottawa could hardly have been expected to match the provinces in whatever absurd flights of spending they chose to take. If the provinces now find they have flown too high, it is not the fault of Ottawa for clipping their wings."

We have the situation where the provinces that have had the sole responsibility for education and health for many years let the spending run wild, failed to control it and then tried to upload their problems to the federal government.

The Minister of Finance has made a very important overture in this budget by agreeing to continue the increase in these transfer payments to the provinces. It is a very big ticket item for the federal government which it could very easily cut to reach an earlier balancing of the books and elimination of the federal deficit.

• (1640)

As an overture, as an olive branch and as a signal to the provinces, the Minister of Finance has made that significant concession in his budget. Apparently we are going to have a meeting of federal-provincial ministers toward the end of May. We can hopefully look forward to some constructive activity leading to more federal-provincial co-operation in dealing with this very difficult insidious problem.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I wonder if the member for Swift Current—Maple Creek—Assiniboia is serious when he says that this budget shows openness to the provinces. The member mentioned that the provinces receive payments for three programs, which are called established programs, namely funding for health and education, equalization and shared funding of social assistance. We are told that expenditures will rise 4 per cent in the next five years while government spending is limited to 1.5 per cent.

What programs are we talking about? We know very well that per capita spending on health and education is frozen. There is no 4 per cent increase there. We also know that there is a cap on equalization payments, so what will increase in the next few years? Basically welfare payments. Why? The reason is very simple: because unemployment will rise dramatically.

The federal government's spending on unemployment insurance rose from $12 billion to $19 billion in two years. That is certainly not a 1.5 per cent increase. Since few jobs are expected to be created, people who are on unemployment insurance today will be on welfare tomorrow. Since the federal government has to pay 50 per cent of that, federal transfers will increase 4 per cent on average, but spending on this will go up by 10, 12 and 15 per cent a year. The provinces will have to pay half, so their spending will go up 10, 12 and 15 per cent a year, while transfers for education and health will not increase at all because they are frozen. We know that in tough economic times, spending on education rises because people stay in school or university longer and spending on health also goes up. I would like the hon. member to explain to me how the federal government has made an overture to the provinces.

[*English*]

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I welcome the hon. member's question. I remind him that at the end of the day there is only one taxpayer in this country. That holds true whether we are talking about programs and expenditures of the federal government here in Ottawa, the various provincial governments or the municipalities.

It is incumbent upon all levels of government to act responsibly because they are all facing exactly the same pressures. We have gone through a period beginning in the late 1960s where program spending began to exceed revenue. Unfortunately successive governments borrowed at that time instead of raising taxes to commence paying for those programs as a signal to the people of what the cost was. They put it on the credit card and unfortunately the time has now come where this vicious cycle of having to pay interest is compounded to the point where it is a very serious constraint on the abilities of all levels of government to be able to meet the expectations of Canadians.

It is abundantly clear that Canadians from one end of this country to the other are determined to see some progress being made to bring down this treadmill of debt. In fact all of our revenues do not have to be consumed by paying interest on past borrowings.

The hon. member makes reference to problems of unemployment. At this time, I believe employment in this country is approximately 200,000 below the all-time high.

• (1645)

I would remind him that we have been in a stubborn global recession. I remind him of the term global recession because all of the countries of the world have been caught up in this.

It is not a made-in-Canada recession the way the opposition would like to suggest. I can cite the state of California which has lost 700,000 jobs over the past few years as a result of global recession. It is certainly not a made-in-Canada thing.

The fact is that this recession has resulted in less revenue coming in than had been projected. That is unfortunate. What it has done is slowed down the time at which we reach the point where the annual deficit is eliminated. It has been put off for a few years.

I think we would have been there by about 1994. It is going to be a little bit later. The good news is that thanks to the deficit control measures of the government, thanks to the lower inflation that follows and the lower interest rates and to the free trade agreement, we do see job creation.

There have been 200,000 additional jobs created in this country since last August. For nine consecutive months, employment has increased in the country. I think that is proof positive that over the long run these policies of prudence are going to pay off.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise to speak to a budget presented by the Minister of Finance yesterday.

When Canadians await and anticipate a national budget from their national government, they expect quite legitimately that the government will produce a financial blueprint that will address not only their particular economic predicament but the economic reality facing our country.

It is very similar to when families sit down to do their household budgets with their needs and difficulties. They try to be realistic. Governments should be charged with the same responsibility.

From this very simple perspective this budget was an irresponsible cop-out. It was a cop-out because it ran from the challenges and difficulties that are facing the country and that it helped create in the first place.

As a result, it failed Canadians economically in a time of great economic need. Just when our country needed some confidence and hope to overcome these economic challenges we receive as an answer a lack-lustre, leaderless budget document.

There is much that can be said about this document, particularly what it failed to do. I will dwell on five essential areas.

First, this budget as described by government members themselves was a basically stay-the-course budget. I could understand if the course was well received by the country, if the economy was vibrant, if people were satisfied, if the nation felt buoyant and if we were in a time of economic vitality. Then I could understand staying the course and hopefully staying it for a number of years.

The course that this country has been on for the last number of years in my humble suggestion, and I think it is shared by a great number of Canadians across the country because of their own individual lots, has been a very painful course. It therefore speaks to new remedies, to a change of course and new ideas and new assumptions.

Things are not working for all too many Canadians. Is this document rooted in reality? Does this government know or care about the 1.5 million unemployed? Does it care about the three million on welfare? Does it care about the plant closings in my city of metropolitan Toronto? Does it care that confidence is down across the country?

Does the government care that poverty is up every single year since it was elected? Do those members know that in addition to a recession still very much on on the streets of Canada our country psychologically is going through a depression and a state of very much insecurity largely triggered as a result of broken economic dreams and aspirations? The line-ups at food banks are getting longer, not shorter. There were 75 million pounds of food delivered to Canadians through food banks last year.

• (1650)

Talk to businesses Mr. Speaker and they will tell you that the proverbial turning of the corner is a long distance away. This government says technically by definition the recession is over. Ask workers. Ask retailers. Ask restaurateurs. Ask manufacturers. Ask the various entities that make up our national economy. Ask them and then ask consumers if we are out of the recession.

This budget is going to stay the course. What does the budget do for that course? This government and everybody else says that small businesses and medium-sized firms are the engine of jobs and economic growth. There are three lines about small business in this budget: "We increased already our substantial support for small businesses, the prime source of new job creation in Canada, and they are now creating jobs."

It talks about having created 200,000 full-time jobs over the last number of months. I would like to see where those jobs are. My city of metropolitan Toronto alone over the course of the last couple of years has assumed half of the job losses, over 230,000 jobs, of the entire country. It wants credit for having created, unsubstantiated in this document, 200,000 jobs.

Where is the plan, where is the commitment, to finding a new course, a better course, a course that will work for more Canadians and not fewer? Let us abandon the stay the course mentality rather than applaud it.

Point number two, the foundations of this budget are based not on fact and action but rather the foundations of this budget are built on future projections and predictions.

As far as predictions go, all their past predictions about job creation and deficit reduction have been off base. For instance we pointed out today during Question Period that their projections for the deficit for this year were only off $8 billion. They assumed a debt of $148 billion. We are now up to $450 billion.

The second thing about predictions is that they predict in two, three, and five-year cycles. A very courageous government, is it not? Not that it will have anything to say about that particular part of Canada's future because it is going to be on this side after the next election. What does that say to Canadians who live in the here and now, Canadians who are unemployed today, students who do not have jobs today? They are saying: "Who cares what you predict about jobs in 1998 when I do not have a job today when you promised me two years ago that *x* amount of jobs would be created."

Look what it says about job prediction. Page 14 of the budget: "Job prospects will improve. I expect," the minister says, "employment to increase by about 300,000 jobs this year," can you imagine, "and next year more than 400,000 jobs."

Nowhere does it say how or where these jobs will be created. Predictions, projections, not much comfort for people who live with that economic malaise today and who know that unless things improve, when they wake up tomorrow morning that same malaise will be facing them once again. They know what this government can do with its predictions and projections. In the first words of the budget, the minister said there would be no new taxes or tax increases, and all of them applauded.

• (1655)

Canadians are not stupid. Canadians do not need to be offended anymore. Canadians know that since 1984 when this government regrettably took office there have been 36 different and new tax increases, including the GST. Canadians know the disposable amount of cash in their pockets at the end of the month when they add up the federal, provincial and property taxes at the local level. This government now wants applause because after 36 tax hits it says maybe you deserve a break today. Then it asks why people have lost confidence in their government and institutions.

On point number three, where is the budgetary recipe for economic growth in this country? How will we increase jobs which will increase consumer spending, increase available amounts of cash or disposable income, increase confidence, increase demand, increase production, which will in turn increase government revenues and therefore pay for the services and programs that we have come to admire?

We all have to be fiscally responsible. This government, despite playing smoke and mirrors with the debt and the deficit and cutting has opted perceptionally to cut, cut, cut. How do you address the need to expand the economy and help it become more vibrant? You just cannot do it by cutting and slashing in the extreme and on its own. You cannot expand by constantly contracting. You can cut until you are blue in the face and have no heart left but it will still not speak to trying to expand and grow our economy and to try to make it work once again, rather than contracting, cutting and slashing. You need a balance when you are looking at a national economy. You just cannot hide under one fancy title that we are cutting, slashing and are responsible and the economy will respond to that. You need a balanced approach. Like all things in life you need to have a tempered balanced approach and our economy is no different.

For instance, we know that there is a capital cash crunch for small businesses and medium-sized firms. All of us, including the members on the government side, have said that is where job creation really is at its best. What does it say about helping the capital crunch, the credit crunch for those firms? Again three lines on page 5 and I quote:

> In response to representations on the equity capital needs of smaller, knowledge-based firms, we will also explore ways to develop mechanisms to encourage investors to support local companies—

Explore, develop mechanisms, encourage—pap, after nine years. What has it said in terms of that credit crunch about banks? Banks were pulling back credit and freezing loans. Companies that for anywhere from 15 to 30

years had been good corporate clients of the major lending institutions could not get the time of day today.

• (1700)

Last Friday I had three calls in my constituency office. One was from a restaurateur, one from a food manufacturer and one from a small contractor. Each of them had been a client of the bank for over 15 years. Each of them had projects that would allow them to survive the drought. None of the three was able to get one dime from the chartered bank.

The story goes on and on. The banks have a role to play. I am not saying it is all their fault, not at all. I am saying that when looking at the equation of the national economy a very important variable is the role of the lending institutions. When there is a recession that role becomes doubly important.

Those banks should not be forcing small and medium-sized firms to pay for their lending mistakes to Campeau, O&Y or to South America. Those banks which exist because of entrepreneurship and risk taking should put their money where their mouths are. Take a risk with the small businessman. Allow him to refinance the truck. Take a risk and allow that restaurateur to expand and fill a new niche. Take a risk on that individual to buy a new piece of machinery that could perhaps do the job a little more effectively. Get behind some of those small and medium-sized firms.

We talked to the members of the Canadian Banking Association. When they visited our caucus I asked them of all the business loans portfolios to businesses what the percentage given to small and medium-sized firms was. After having told our caucus that is where the greatest number of jobs are created, less than 30 per cent of their business loans portfolio goes to small and medium-sized firms.

What does this government have to say about the role of our national lending institutions? That constituency is governed by federal statutes. As one important variable in that national economy they should be made to fulfil their role responsibly, not irresponsibly. If they fail to live up to legitimate lending practices that are needed for our times, well then it may be time for us as a Parliament and clearly as a government to revisit the statutes that give the banks the privileged place they enjoy in our country.

My fourth point is that the government keeps talking about the financial deficit. However, as a result of the dogmatic economic stay-the-course approach it has ignored the creation of a human deficit which manifests itself in different ways across our nation. There is a tremendous price to pay for those dogmatic stay-the-course economic policies when talking about a human deficit and sometimes we need to humanize the things we say or the policies that we create and pass.

How would you feel if you had to line up at a food bank for a piece of bread, Mr. Speaker? How would we feel if we had to go to an employment centre, only to see the same little cards indicating "thanks but no thanks" the day before? How would we feel if we were forced to live and exist off welfare? Think of the hurt and the stigma one would feel.

How would you feel if you were about to lose your job and what do you tell your family when you come home? How would you feel if you had to live below the poverty line? What hope would you derive the next day from this budget? What would you feel if you were part of the growing number of one-parent families led by single women, 60 per cent of whose jobs are below minimum wage? What confidence do you derive from this, if you are a senior and you are losing your house because you cannot afford to pay the property taxes after having sacrificed your entire life, or you are a young family and cannot afford to purchase that new house? How would you feel?

• (1705)

That is the human deficit members opposite prefer to ignore. Just like the chairman of the poverty subcommittee who pretends that the problems will go away if we raise the threshold of the poverty line. What insanity. What kind of blinkers are these men and women opposite wearing when they are oblivious to that human deficit? The tab keeps going up, not down. Let us look at that deficit while speaking rhetorically about the financial deficit.

This is my fifth and last point. Where is the inspiration that we are to be providing? When we talk about a budget we talk about inspiration and hope and not losing

confidence. Where is that inspiration in this document that says we are going around the corner and together we are going to do it? There is none. There is no inspiration.

The leadership candidates on the other side condone the budget. Where is the newness? Where is the freshness? This really is the last chapter in a very sad Conservative tale. On top of it all, the Prime Minister has the audacity to spend $1 million on his egomaniac farewell tour when every other Canadian is left to make their own plan to get out of their economic misery. What a tale to finish this.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, it was an entertaining speech to say the least, but I think it has to be laced with a little reality. None of us could help but listen because it was a very forceful speech.

When the hon. member talked about some of the difficulties he saw in Canada and those aspects of the economy that none of us want to see, I think he ignored a great deal. That is the point I want to make. He ignored a certain amount of reality out there. We are talking about unemployment and about 1.5 million people unemployed. None of us can take much satisfaction in that. None of us can.

I would like to focus on the fact that Canada's economy is moving along nicely. Now it is not growing as fast as we would like it to, but certainly it is not a stagnant economy. It is not stagnant at all.

What we have to do is compare where Canada is today in relation to the rest of the world and it is not doing too badly. In fact the statistics indicate that Canada is doing better than the rest of the industrial world.

In fact the IMF predicts that Canada's growth rates of 3.2 per cent in 1993 and 4.4 per cent in 1994 will lead the rest of the world. One might ask why. It goes back to one of the statements the hon. member made. I will give the answer and the member can respond.

What he was saying in his speech was: "Listen, we can see the Draconian things you are doing in terms of cutbacks and trying to control the deficit." I accept that, but he asks as to what we are doing to enhance the growth of the economy. The words he used were: "What is the recipe that you are proposing? Show us in terms of what the minister delivered yesterday. Show us the recipe in that speech."

The recipe is indeed there. Let me point it out: low interest rates, the lowest interest rates we have seen in 30 years; the lowest inflation we have seen in this country in 30 years; and investment opportunity, the likes of which we have not seen in 30 years. Therein lies the recipe.

Mr. Marchi: Mr. Speaker, the member says I am ignoring reality. The federal budget has two lines on jobs, zero lines on growth, two lines on small business and nothing about the banks. The hon. member talks about low interest rates, low inflation and great investment.

• (1710)

No one is investing in my province of Ontario. They are going to Dallas and Fort Worth, Texas and Phoenix, Arizona. Low interest rates and low inflation are academic issues because many people do not have jobs. The interest rates could be at 2 per cent but if you are not working, Mr. Speaker, you cannot invest. You cannot buy the cottage. You cannot buy the home, nor would you because you feel very insecure.

In terms of international comparison the hon. member takes great pride in saying: "Well we are going to lead the G-7 in terms of growth." He does not tell Canadians, nor does the Prime Minister, that of all the G-7 countries, we fell the furthest. Of all the G-7 countries our performance was the worst. Despite having dropped the furthest, our rebound according to economics is still not at the level it should be for the depths to which this government has brought this nation.

When the hon. member says that we are going to lead the G-7 countries out of the recession, why not also be honest and mention how deep the government brought this country down and that we were number one in terms of the worst economic performances.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to compliment my colleague on an inspirational speech and especially the fact that he put so much focus on small business. We on this side of the House have been saying for the last two and a half years that the greatest hope for new job creation lies with the small business sector in this country. All the larger corporations are downsizing and dismantling. It is just an awful condition.

The thing that really disturbs me is the action the government took last December in its economic state-

ment. In that economic statement it amended the Small Businesses Loans Act. When we came back in February we all worked together to put that act through the House of Commons in record time. We as Liberals stood up and complimented the government, but we did it with one condition, that the Government of Canada would promote the Small Businesses Loans Act in every region of this country and that it would also call in the financial institutions and get them to get into the act.

We can have all these posters at the banks reading: "Low interest loans at 5 per cent or 6 per cent," but if the banks are not going to lend money then what good is it? It is almost like false advertising.

My question to my colleague is a tough one and I have tried to figure this out. What are we going to do to get the banking institutions of this country to wake up and realize that the small business community is crying out for help? Small businesses are our greatest hope for putting people back to work and they are not coming to the party.

Mr. Marchi: Mr. Speaker, I appreciate the question from my colleague for Broadview—Greenwood. In his modest way he did not mention that for the last two and a half years he was very instrumental in trying to up the campaign of having all levels of government get behind our small and medium-sized firms and that great network of some 900,000 businesses across the country. If each of them were to create one or two jobs, imagine the type of stimulus we would derive.

I talked a bit about the banks. He talked about the small business loans. It really is a shell game unfortunately. When the government moved from the original $100,000 to $150,000 to the $250,000 small business development loans it would help underwrite, it was academic. Businesses in my riding told me that they could not even get to the first base of $100,000, never mind upping the threshold to $250,000. It was an attempt to try to suggest that somehow it was doing something great for the small business network.

What do we do with the banks? At the first opportunity, I think the first move should be one of co-operation. Have our chief financial lending institutions understand that their role in the national economy is a precious one, that during downturns it becomes doubly precious and that their variable is instrumental in the kind of output the economic equation gives us.

• (1715)

Second, if they are not prepared to have proper lending practices that reflect greater amounts of business loans to the small and medium-sized firms, which receive less than 30 per cent of all business loans from our banks, then we have to revisit the federal statutes that essentially give a monopoly for those chartered banks. I do not say that in a personal way and I do not say that in any nationalistic way. I only say it in order to add some muscle to the words we hear every single time we go back to our ridings.

The third area that I would mention is that of the chief inspector of the banks. I would like to put some teeth in that position to allow that inspector and the infrastructure around that office to actually take a look at those lending practices and see if they actually make sense with the times we are going through.

I would hope that we would first be able to sit down with the presidents of the major banks and lending institutions, which this government has not even begun to experiment with, and say that we are not putting the blame on them but the lenders must be engaged in a partnership in terms of stimulating and fomenting a more vibrant economy, taking risks and becoming the entrepreneurs they say that banks are founded on.

[*Translation*]

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my first remark will be that this budget raises a simple question: why? I think that is the question that comes to the mind of many Canadians and Quebecers when they examine this budget, specially because this finance minister is probably more aware than any other Canadian of the seriousness of our fiscal problems in Canada.

If anybody is aware that strong action is urgently needed to regain control of our deficit and start paying off our debt, it is the present finance minister because the whole situation is known to him and he can get all the information, and because he is a member of a party and a government that was elected in 1984 on a platform that included putting our public finances in order. All Canadians remember that 1984 campaign when Conservative candidates travelled throughout Canada and Quebec telling everybody that the government should be

replaced and how terrible the Trudeau government was because it had accumulated a $200 billion debt.

I remember vividly the comparisons that were used and the terror they stirred up in the public. People said, and rightly so, that that cancer had to be removed. They thought it was unbelievable that, in 10 years, we had gone from a more or less balanced budget to a national debt totalling $200 billion. That was one of the factors that helped the Conservatives beat the Liberals nine years ago. The Conservative government, with much stricter requirements with regards to fiscal balance and with a much healthier notion of public finances—at least that is what people thought—was elected on a restraint and recovery program. So nobody knows more than the present Minister of Finance how important it is to deal with a public debt that has jumped from $200 billion to close to $460 billion in nine years. He knows it so much that, in recent months, he was told by the IMF that we had to be careful, that Canada's debt and deficit situation was becoming dangerous. He himself did everything he could so that Canadians would be ready to accept extremely drastic measures in the budget.

Everybody in Canada knew that they would have to make sacrifices after this budget. Everybody was ready for that because the present Minister of Finance managed to convince Canadians that things were going wrong and that the government had to intervene. Virtually no analyst was expecting a mild budget.

• (1720)

However, as the minister knows, the Canadian debt is the second highest in the G–7. We know how this government reminded us, during the constitutional and referendum debates, that Canada belongs to this select club of the seven richest countries in the world. The fact is that Canada is the poorest of the richest countries in the world, or at least the most heavily in debt, second only to Italy.

The Minister of Finance is well aware of the situation, since he reminded us of the fact in the fiscal statement he delivered December 2. There was one important thing he told Canada which the insiders knew but the general public ignored. On page 40 of the background document included with the fiscal statement delivered on December 2, there is a chart showing Canada's international indebtedness.

People, especially government members, talk a lot about the magnitude of our debt, but seldom if ever about the honesty the minister of Finance showed last December, when he told us about the international indebtedness level of Canada.

It is important to note that Italy, whose debt is worse than ours, finances only 5 per cent of its debt on foreign markets. Foreigners account for only 5 per cent of Italy's debt. Otherwise, Italians borrow from Italians.

If the Italian government needs to borrow in order to pay its debt, which is higher than ours, then it borrows from Italian citizens. In Canada, when we need to finance our debt, which is the second highest in the G–7, we borrow at 40 per cent from foreigners. At least, that was the situation back in December, according to the chart provided by the Department of Finance, so, you see, I am not inventing anything, Mr. Speaker.

In matters of canadian sovereignty, when speaking of Canada managing its own affairs, one has to remember that 40 per cent of the financial decisions concerning the debt are taken overseas. That is to say that Canada is essentially at the whim of the financial market and if by chance foreign creditors are not satisfied with anything we do, Canada is at risk and is left with no room to manoeuvre when managing the public finances, the affairs of this country.

If anyone knows how dangerous this situation is and how important it is to maintain a confidence level overseas so that these 40 per cent foreign creditors continue to extend financing to us, it is the minister of Finance.

And what does the Minister of Finance do? The time has come to present his last budget, the last of a series of nine budgets by this government that has received all the snubs and has had many trials and tribulations in the constitutional and economic areas, when he has finally the opportunity to really do something to solve a real problem, that is the public finances problem.

What does the Minister of Finance do? He presents a do nothing budget. Those who have commented on the budget today across the country, editorial writers and columnists alike, have all said that this is not a budget, that there is no budget here, no real measures to straighten the public finances, nothing to deal with the disastrous situation in Canada.

It is as if the Minister of Finance tried to avoid the necessary solutions. We all agree that it was not easy. We all recognize that there will not be a miracle and that the next Minister of Finance will have a lot to do to repair the mess he or she will inherit, that he or she will have to take continuous, aggressive and responsible actions to redress public finances. We all recognize that some decisions are difficult to take, but there are some which are less difficult to take.

For example, I cannot understand why this government did not decide to save money by eliminating waste and inefficiency that result from duplication of programs at the federal and provincial levels.

Recently, the members of the Quebec caucus of the Conservative Party presented to their colleague, the Minister of Finance, a paper in which they strongly recommended the transfer of the jurisdiction over manpower to the Quebec government. Everybody knows that if there is something that makes unanimity in Quebec, it is that transfer. People in the labour, business, cultural and political circles, the provincial Liberal Party and the Parti Quebecois, in short everybody in Quebec reached a consensus never seen before in asking that manpower training and development programs and policy-making be transferred to the Quebec government to make all the services accessible at a single window.

Instead of neutralizing each other's actions, instead of waging a war whose victims are the persons in need, those who lose their jobs or those whose jobs are at risk, let us create that single window everybody is asking for so we can meet the great challenges of our time.

• (1725)

All those people want single-window services in Quebec, including the Conservative caucus members from that province who, for once, did not hide to say this. They wrote it in a report published in the media. I think Senator Roch Bolduc and the hon. member for Joliette, Mr. Larrivée, are the leading figures who signed that report. The Tory members from Quebec also understood that this is an extraordinary way to stop wasting and to save, according to a Liberal minister from the Bourassa cabinet, some $250,000 a year right from the start. This is a lot of money in only one particular sector, and there are all the others.

When he appeared before the Bélanger-Campeau Commission, Pierre Fortin, a prominent economist, said that eliminating all duplication between Quebec and Ottawa could probably result in savings totalling up to $5 billion a year. There is one sector where duplication could have been eliminated very easily but it was not, even though everybody wanted that.

Mr. Speaker, whether you are federalist, sovereignist, Tory, Liberal or New Democrat, everybody in Quebec and in Canada knows that we will be the first generation who will pass on to the next one less than was ever passed on between generations in the history of Quebec and Canada. The building of a country is possible because a generation will pass on more than it has received. Slowly a real country is built and each generation passes on to the next one an invaluable heritage that it has enriched a little.

Our generation which perhaps received the most in history, in the whole string of transmissions, will be the first to pass on less than it received, to pass on a mortgaged country, a country that stifles the future of the rising generation, a polluted country, a country without a consensus. We are responsible.

We could have expected from this government that it would show courage, responsibility and some lucidity with respect to the present situation of those who are suffering and with respect to the future of those who justify our working, our struggling, that is our children and those who will come after them.

Moreover one would have thought that the Minister of Finance would spare himself this ridiculous exercise. He could have saved himself this touching exercise to help the two Tory Party leadership candidates save face because they ventured to make impossible and whimsical commitments when they said that if they took over from Mr. Mulroney as Prime Minister they would eliminate the deficit in five years. The Minister of Finance found it ridiculous. As one who for nine years has been part of a government that has been trying to reduce the deficit but only succeeded in increasing it to twice what it was before, he is the first to know that is impossible. He could not say it, but he could at least have kept quiet, but no, out of partisanship, out of electioneering solidarity, he wanted to help those two candidates that had ventured into the realm of ridicule and irresponsibility save face. He went through an exercise to prove that it could

be reduced in five years. Indeed, he is saying that when he runs the country's finances, he can have a $32 billion deficit. However his successors will, through the workings of the Holy Spirit, or with the help of an extraordinary turn of events, reduce the deficit to $8 billion in five years, without tax hikes and cuts.

That is not the kind of Minister of Finance we are used to, especially since he indulged in unacceptable intellectual and accounting distortions. Does he not forecast in his budget that in certain years tax revenues will grow twice as fast as our economy, which does not make any sense? Any second-grade kid, who has learned basic arithmetic, knows on the face of it that it is a sham, but we must say that he tried that tack for his party's sake, so that the two poor candidates who said they would work miracles could save face.

After saying that I do not understand what happened, I could perhaps make an assumption, which in fact would explain the very existence of the Bloc Quebecois. First, how did the debt get so big? There are several reasons for it. Of course there are international and structural reasons, reasons related to problems with the economy throughout the world. We are not the only country in debt, but we are among the most indebted. To be sure, it is partly due to external factors and causes.

• (1730)

However a very large part is due to our inability to have a real consensus in this country. For a long time, the federal government threw money at problems in order to tighten its grip on the provinces and create a sort of fictitious Canadian unity. It paid to have duplicate institutions in the east and in the west. If someone somewhere clamoured, that person was paid off, and so it went. Rationality and efficiency were not the governing criteria most of the time or very often, but it was a way to buy peace.

Since Canada is tremendously rich in natural resources, we could go on paying for a long time, but when we no longer had the money required, we started to borrow. We borrowed so much that we can no longer do so now. We have reached the point where it is obvious that Canada cannot go on. This can be seen in the impossibility of finding a solution to the problem of the deficit.

There is a reason behind the Minister of Finance's inability to propose something that would straighten out the country's finances—it can be done, as we well know—in a fiscally responsible and socially just manner, by calling on everyone to accept some sacrifice, it can be done. The Americans will do it with President Clinton. It can be done in a country with a close sense of nationhood. Not here; it is not possible here to convince the east and the west to accept the same sacrifices. This is a country where an aircraft maintenance contract is enough to tear the country apart. A contract for helicopters or frigates is enough to tear the country apart. This is a country with no consensus.

The Canadian political structure does not correspond to reality. Our big problems like the budget and government finance require a fundamental solution. The problem is structural and the solution must be structural too. That is why we believe that since there are two realities in this country, two political, economic and social realities, there must be two political entities.

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, while I was listening to the comments of my hon. friend from Lac-Saint-Jean concerning the budget some questions came to my mind.

First, the member for Lac-Saint-Jean, who was once a cabinet member in this government, must surely recall that, when the Conservative Party came to power in 1984-85, the debt was already very close to $200 billion and that this debt had mushroomed over a very short period of three or four years.

My hon. friend will also recall that the government's current account deficit was $16 billion. Let me briefly explain what we mean by the government's current account. It is simply the account into which go all revenues collected by the government through taxes—the income tax, excise taxes and other revenues—minus its operating expenditures. This current account was in the red to the tune of $16 billion, which means that the Governement of Canada was actually borrowing to pay for groceries.

In 1987-88 the member for Lac-Saint-Jean was a cabinet member. After the 1988 election, he realized that instead of a current account deficit, there was now a surplus. I think the member for Lac-Saint-Jean, as a

minister of the Crown, had also experienced cuts in his department's operating expenditures.

I remember perfectly when the member for Lac-Saint-Jean presented the green plan with a lot of money to spend. I remember how impatient he became several times when he could not get these sums of money, because this government and this finance minister remained responsible. He could not get all the money he wanted in spite of all the good things that were said about the green plan.

• (1735)

The member for Lac-Saint-Jean will probably recognize, as I do, that this government has tried consistently to put the public finances in order. The member for Lac-Saint-Jean is criticizing the Budget. Would he have agreed, and it is the first part of my question, if yesterday the finance minister had announced massive cuts to transfer payments to the provinces? Would he have agreed if the government had announced massive cuts to transfer payments to those who need them the most, that is the elderly, the handicapped, the veterans? Would he have agreed with that? I think that having been part of the government, he is in a position to realize that there are things that cannot be changed without jeopardizing the very economic structure of the country.

I will ask him a second question to give him the opportunity to answer. The member for Lac-Saint-Jean has recognized, or at least, stressed the fact that training programs should be transferred to the Quebec government. I think that a consensus is emerging on that. Could he tell us why last October he campaigned against the Charlottetown Accord according to which manpower training programs would have been entirely transferred to the Quebec government?

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I wish to thank the hon. member for Manicouagan for these two questions. In response to his first question, I will have the opportunity to clarify once and for all the gossip peddled by government members, in particular the President of the Treasury Board when he goes to Chicoutimi and claims that the reason I broke ranks was that I was not given the money I had requested for the environment. I have written a rebuttal, but the minister never replied to that letter that I have had published.

As a matter of fact, I did get the money I had asked for. I wanted $5 billion to finance the green plan over a six-year period, and I got it. If the funding was later cut to $3 billion, I am not responsible for that. When I was minister, the funding for the green plan was $5 billion. It would have remained at $5 billion if I had stayed in office, because I fought for the environment. I believed that this government should do something positive for the environment, that it should make sure that we leave a clean, unpolluted country for future generations. Do not come and tell us today that we did not look after the environment. I insisted that we do so when I was in office, and we did.

Second, I want to deal with the hon. member's second question. It is obvious that, beyond the partisan sparring—and the quality of the debate has just gone down a notch but let us get back to the actual question being debated—the lack of consensus has been evident, especially since 1990 when the Bank of Canada had to use monetary policy as a club to impose interest rates that were obviously destructive for the economy of Quebec especially, and for the rest of Canada, except Ontario. Because the economy in Toronto was overheated as we must admit, the whole country had to take the drastic remedy of extremely high interest rates which had a direct impact on the interest the government itself owed its creditors. That literally killed business investment across Canada so that much of today's debt is actually due to the Bank of Canada's high interest rate policy, because this country cannot reach a consensus.

Just think that even today, the real interest rate in Canada is still double the real interest rate in the United States. That is not right. We are living next to the largest economy in the world, and we are separated from it only by a border, an imaginary line. Our economies are interrelated, integrated, as we well know; we are united by a free trade agreement. Why is it then that we need a real interest rate—that is, the mathematical interest rate minus the rate of inflation—twice as high as the American rate in order to protect the Canadian dollar? It is because this country has a political problem. Not an economic problem, a political one. The hon. member for Manicouagan is well aware of that. After all, he is from an area where the voters were overwhelmingly against the Charlottetown Accord he just referred to.

Mr. André Harvey (Parliamentary Secretary to Prime Minister): Mr. Speaker, my colleague from Lac-Saint-Jean takes great pleasure in defending jurisdictions. In this budget, if there is a sector where we could make drastic cuts, it is in the field of transfers to provinces. These transfers affect education, health, social services, et cetera.

I want to ask a question of the hon. member. Does he not think that it is preferable, as the Minister of Finance said in his speech, to first consult with provinces to arrive at a rational plan for reducing transfers to those provinces? The increases will be 4 per cent. Agreements have been signed and I think they must be complied with. Since the debt and the deficit are a national problem, it is important that all provincial governments reach an agreement with the federal regarding a reduction of expenditures in the field of transfers. This seems perfectly logical, while at the same time respectful of the provincial jurisdictions.

• (1740)

I will conclude by asking a second question to my colleague from Lac-Saint-Jean. We usually make judgments based on results. Since my colleague was the Canadian ambassador to Paris for three years, perhaps he could tell me which budget restrictions he implemented at the Canadian embassy in Paris, where several dozen employees work. I would also like to know if, in all conscience, he applied those budget restrictions objectively.

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, my natural modesty has always prevented me from reporting on my tight management of the embassy in Paris, but he will let me do so since he is forcing me to do it today.

I was the only ambassador in Europe at the time who suggested cutting the staff in his embassy to the Department of External Affairs. I voluntarily proposed a reduction plan before I was asked. If I am not mistaken, because it was some time ago, I believe that we cut about 20 positions in Paris. I thought that we were overstaffed and I cut about 20.

If people tell me that I did not run a tight ship in the embassy, I was the most highly rated ambassador in Europe at the time for my management, if, Mr. Speaker, you will allow me to boast, since the hon. member mentioned it.

Secondly, regarding transfers to the provinces, is the member for Chicoutimi saying that he would like the federal government, which picked up these tax points during and after the war and must now distribute them back to the provinces, not to do so anymore but to keep this money and continue to impose requirements on the management of social programs in Quebec by saying "If you charge user fees we will stop paying"? Is he telling us that he would like the federal government to withdraw completely from transfers to the provinces for education and social programs?

If so, what does a federal government do? It proves what we are saying: the federal government must be abolished, at least as far as Quebec is concerned. Quebec must become a sovereign country that will look after its own social affairs, education and the rest, without sending over $20 billion in tax payments to Ottawa.

The member for Chicoutimi is just saying what almost all his constituents want: a sovereign government in Quebec City.

[*English*]

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, it is a pleasure to take part in the budget debate. I think I will pick up where I left off when I questioned one of the members opposite with regard to their speech.

The Acting Speaker (Mr. DeBlois): Will the hon. member indicate whether he will speak for 20 minutes or will split his time with another colleague?

Mr. Thompson: Mr. Speaker, I am going for the full 20 minutes and I guess that will give me some time for tomorrow's session as well.

Picking up where we left off in debate with the member opposite there is no question today about the direction from which the opposition is coming. Those members are attacking again where they left off and have left off consistently in terms of debate and their structure of the debate when it comes to the finances of the Government of Canada.

I was taken today by the remarks in the House by the Minister of Finance when he talked about the same line coming out of the lips of the members opposite. Basically when it is all sorted out they are not committed to deficit reduction at all. I think if their words are carefully measured over there on that side of the House then the

Minister of Finance is absolutely correct. They like to talk about deficit reduction but when push comes to shove they really just want to pay lip service to it. That has surfaced in their remarks continually today. As the minister stated today their words really do not go beyond this. It is spend, spend, spend, borrow, borrow, borrow and tax, tax, tax. That has been a very consistent theme today.

They have been making some headway in this debate. I want to clarify this and step through what we have done. When they go beyond deficit and get off the deficit number then their argument simply is based on, for example, what one is doing to encourage investment in the economy. That is fair game and I think that is fair debate. I want to step through what we are doing because it is important to put it on the record.

• (1745)

What we are doing is pretty evident and it was evident in last year's economic statement which the minister brought down in December. That economic statement spoke pretty clearly in terms of what we are doing. Basically it comes down to this. The basic points of the argument are, and we have to mention this because it is very important the government do so, low interest rates, the lowest interest rates we have seen in this country for 20 years, almost 30 years, and low inflation rates, the lowest inflation rates we have seen in this country for 30 years. They are just part of the basics we have, but we also should fix firmly on crunching that deficit number.

That is where we have the basics right. That is where it is showing up in terms of investment in the Canadian economy. That is what we are doing. We are encouraging investment. We are encouraging growth in the economy.

I want to put on the record some remarks by the International Monetary Fund. The IMF sees Canada on a growth path. The evidence speaks pretty clearly for the Government of Canada in that regard. The IMF projects growth rates of 3.2 per cent for Canada in 1993 and 4.4 per cent in 1994.

What are those numbers really saying? They are saying that Canada is doing very well, thank you very much, in the face of the rest of the world. In other words, when we compare our economy to that of the United States or any economy in the western world, even countries like Japan, we are doing very well. The growth in the Canadian economy will exceed every one of the western European economies this year. As for the far east, we will exceed the growth of the Japanese economy as well. We have consistently done that as a nation since 1984. From 1984 to the present only one country in the hemisphere has exceeded Canada in terms of economic growth. Which is it? It is Japan.

We are doing fairly well, but not as good as I would like because 1.5 million unemployed people are too many for an industrialized country like Canada. We acknowledge that. We have to acknowledge it in the face of reality. We have to acknowledge what other countries are doing in comparison to us. They were caught in a world-wide recession as was Canada.

The members opposite say: yes, but the recession in Canada was worse. I agree it was worse. It was worse because our trading partners were going through that hurt as well. As a result of the fact that Canada is a trading nation we depend on the health of those other nations that buy products from us. Evidence of that, in terms of what we produce and sell to the rest of the world, is very compelling.

Last year Canada exported $157 billion worth of goods to the rest of the world. It was a remarkable turnaround for Canada. As the economies of the United States and western Europe started to speed up they were paying net dividends into Canada's economy. It takes a while for that to work through the economy. If they are buying $157 billion worth of goods from us today it does not mean that all the factories are up and running tomorrow because it does take time to work through the system. However, believe me it is happening.

Some of the numbers indicate that it is happening. Those numbers that have been put out by the International Monetary Fund are pretty clear evidence that it is working. Our economic policies are starting to work. Why? They are starting to work because our companies will invest in economies where there is security. They will invest where there is security.

• (1750)

When they look at Canada they will say: "Listen, your interest rates are the lowest they have been in 20 years. I like that. I think I will invest in Canada. Inflation is the

lowest it has been in 20 or 30 years. I like that. I am going to invest." They have and it is paying dividends for us.

That is the recipe and that is the course we set out in 1984. We have applied that formula consistently in every one of these budgets from 1984 to the present day.

Mr. Keyes: It is scary.

Mr. Thompson: The hon. member opposite says: "It is scary." The only thing scary in the House is the thought of that party coming over here and governing us again.

Now that he has mentioned the word scary, I have some numbers here which are pretty scary. We always talk about the combined debt in this country and where it came from, how we arrived at this huge mountain of debt.

Mr. Keyes: Here we go, the 10-year old story.

Mr. Thompson: It is a 10-year old story and I think it has to be put on the record very clearly. I have done it on a number of occasions and I will continue to do it.

I want to mention some of the difficulties we inherited as a government. I am not going to prolong the agony. Between 1968 and 1984, and incidentally those where the years when Pierre Trudeau was the Prime Minister of Canada, he took the country from a zero deficit position to a deficit of $32 billion. When we are talking about the deficit, just to remind the folks back home, the deficit is a yearly number. That is the amount by which the Government of Canada overspends on a yearly basis. He took it from a zero position—in other words in 1967-68 it was a balanced budget—up to the point where they were borrowing $32 billion a year to pay their bills.

What is really astonishing about that is that when they left office in 1984 the gross domestic product of Canada was just slightly over $400 billion. Today it is around $700 billion. That is just an example of running up a deficit of $32 billion in 1984, and there were revenues of only $71 billion.

By way of passing, our revenues this year will be somewhere around $122 billion to $125 billion, and the economy is around $700 billion. Remarkably we have kept our deficit down to that $35 billion number.

Mr. Thorkelson: What about the debt?

Mr. Thompson: The combined debt. When any government inherits a yearly deficit of $32 billion and the government of the day in 1984 was spending $1.33 on programs for every dollar it took in the door, it is in a very difficult position with regard to cash flow.

Today we have—and I know they take a great deal of pleasure in this—a combined debt of over $400 billion in which none of us can take any pleasure because it has doubled.

Mr. Keyes: $450 billion.

Mr. Thompson: The hon. member opposite says: "$450 billion." It is not quite $450 billion. The exact number as we speak is around $416 billion. Again, it is not a number any of us can take pride in.

From 1984 to the present day the combined debt of the country has doubled. What they do not like to talk about is the stranglehold they had on the government, that is the previous government when it left office. They put us in a cash crunch situation.

The hon. member opposite chuckles. The point I would like to make is that between 1968 and 1984 the debt did not double under their government. The debt increased 10 times; it increased tenfold. We are guilty of doubling it and we accept that. However, it is the compound interest on the debt we inherited. We have not put one single nickel on to that debt load. It is all combined interest. It is the killing effect of compound interest on a debt that we inherited.

• (1755)

Let us go beyond that because it is an old story. Nobody wants to talk about it anymore, especially the opposition. How do we get beyond that? The minister told us yesterday to get beyond that by encouraging investment and not stifling it. We cannot stifle investment because if we do we are going to kill the economy. We must have a balance.

We on this side of the House acknowledge that we cannot do it. In other words we cannot pay off the debt simply by taxing Canadians more because there is not a single Canadian out there who is going to buy into that idea. I am one of them.

If we cannot tax the folks any more, and I think most of us would argue that we cannot, what do we do? We can

do a number of things. We can encourage investment, which we are doing. We can encourage growth in the economy which is happening and that is good.

We can also reduce the cost of government and size of government. That is something we have done consistently since taking office in 1984. We have reduced the cost of government, the size of government. On every single measure in every budget that we brought into this House to do that, the opposition consistently voted against it.

What it comes down to is talking out of both sides of your mouth on any particular issue because when you are elected, you do. Your feet in a sense I suppose are held to the fire because that is the price of governing.

The price of governing is making those tough decisions. They do not make you particularly popular with the folks back home or in the polls but at the end of the day the government of the day has to make the tough decisions and we have made those, made them consistently and they are starting to pay off.

Before I sit down I want to talk about the budget and who it has impacted on in terms of the cost of doing business or the reduction in the size of government and government spending. Who has it impacted on?

I am very proud to say we did not touch any of the social programs in yesterday's announcement. The minister as he stepped through the budget papers indicated that there are going to be total savings in this package of approximately $30 billion in the next four years.

We did not touch seniors or their pensions. We did not touch any of the support payments for veterans. We did not touch any of those programs which are important to a province like my home province of New Brunswick. We did not touch transfers to the provinces. In fact the growth of the transfers, the federal dollars to the provinces is going to grow, particularly for the poorer provinces like my home province of New Brunswick.

Why is that important to me? The province of New Brunswick depends on 40 per cent of its revenues from the Government of Canada. This year that will amount to about $1.5 billion. Obviously a small province like New Brunswick cannot afford to lose $1.5 billion. The good news is that it will not. That is extremely good news for the provinces back east.

To sum up, Canadians want to see an end to the deficit and they want to see it achieved through spending cuts and growth in the economy. They do not want to see it through higher taxes.

When those folks get up across the way and pretend to be in favour of tightening up government, reducing the cost and the size of the government, listen very carefully to what they are saying. At the end of the day I am reminded by the words of the finance minister today in the House during Question Period. If we sort out everything they say it basically comes down to the same three words: spend, borrow and tax.

• (1800)

The Canadian people have had it with taxes. They have had it with borrowing and they have had it with spending.

Mr. Keyes: And with the Tories.

Mr. Thompson: I will just comment on the comments coming from across the hall.

* * *

[*Translation*]

BUDGET IMPLEMENTATION (GOVERNMENT ORGANIZATIONS) ACT, 1992

MEASURE TO ENACT

The House resumed from Friday, April 23, 1993, consideration of the motion of Mr. Mazankowski that Bill C-93, an act to implement certain government organization provisions of the budget tabled in the House of Commons on February 25, 1992, be read the third time and passed; and the amendment of Mr. de Jong (p. 18396).

The Acting Speaker (Mr. DeBlois): Pursuant to order adopted Thursday, April 22, 1993, the House will now proceed to the taking of the deferred division on the motion for third reading of Bill C-93, an Act to implement certain government organization provisions of the budget tabled in the House of Commons on February 25, 1992.

The first question is on the amendment.

Call in the members.

The House divided on the amendment, which was negatived on the following division:

Government Orders

(Division No. 471)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Bélair	Bellemare
Benjamin	Berger
Black	Bouchard (Lac-Saint-Jean)
Boudria	Breaugh
Brewin	Butland
Caccia	Campbell (South West Nova)
Catterall	Clancy
Copps	de Jong
Dingwall	Duceppe
Duhamel	Ferguson
Finestone	Fontana
Foster	Funk
Gaffney	Gagliano
Gauthier	Gray (Windsor West)
Guarnieri	Harb
Harvey (Edmonton East)	Heap
Hunter	Jordan
Kaplan	Keyes
Kilgour (Edmonton Southeast)	Kindy
Kristiansen	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	MacLellan
Manley	Marchi
Marleau	McCurdy
McGuire	Milliken
Mills	Nowlan
Nunziata	Nystrom
Parent	Peterson
Phinney	Pickard
Proud	Prud'homme
Rideout	Riis
Rompkey	Skelly (Comox—Alberni)
Speller	Stewart
Stupich	Tremblay (Rosemont)
Vanclief	Walker
Wappel	Wood—80

NAYS

Members

Andre	Atkinson
Attewell	Beatty
Belsher	Bernier
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Boyer
Brightwell	Browes
Cadieux	Casey
Chadwick	Champagne (Champlain)
Clark (Yellowhead)	Clark (Brandon—Souris)
Cole	Collins
Cooper	Corbeil
Corbett	Côté
Couture	Danis
Darling	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Domm	Duplessis
Epp	Fee
Feltham	Ferland
Fontaine	Fretz
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Grey (Beaver River)	Guilbault
Gustafson	Harvey (Chicoutimi)
Hawkes	Hicks
Hogue	Horner
Horning	Hughes
James	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Koury	Landry
Langlois	Larrivée
Littlechild	Loiselle
Lopez	MacDonald (Rosedale)
MacDougall (Timiskaming—French River)	MacKay
Malone	Marin
Martin (Lincoln)	Masse
Mayer	Mazankowski
McCreath	McDougall (St. Paul's)
McLean	Merrithew
Mitges	Monteith
Moore	Nicholson
Oberle	O'Kurley
Paproski	Plourde
Porter	Pronovost
Redway	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
Saint-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Valcourt
Van De Walle	Vankoughnet
Vézina	Vien
Vincent	Weiner
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—126

PAIRED MEMBERS

nil/aucun

• (1825)

The Acting Speaker (Mr. DeBlois): I declare the amendment lost.

[*English*]

Mr. Dingwall: Mr. Speaker, I rise on a point of order. I think there has been some discussion among members of the House with regard to subsequent voting.

There may be a disposition in the House to apply the vote which has just been taken in reverse to the motion for third reading of Bill C-93, to apply the vote on the amendment of my colleague in the New Democratic Party to the report stage amendments to Bill C-109, and then to apply that in reverse to a motion to concur at report stage of Bill C-109.

• (1830)

Miss Grey: Mr. Speaker, ironically there have not been discussions, at least with me. I would like to put on the record that if there is agreement in the House to let this go through I would like it known that I will be voting yea on Bill C-93, the main bill. Then on Bill C-109 I will be

voting yea for all the amendments and yea for the main motion.

Mr. Angus: Mr. Speaker, I think there may have been an omission in the opposition House leader's list. Motion Nos. 4 and 7 are Liberal amendments which should be included in the package for the votes on this side of the House.

Mr. Kindy: I rise on a point of order. There is no unanimous consent, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): I remind the hon. member for Thunder Bay—Atikokan that all amendments are Liberal amendments.

Is there unanimous consent to proceed as suggested by the hon. opposition House leader?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): Pursuant to order made Wednesday, April 21, 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: On division.

Motion agreed to, bill read the third time and passed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Monday, April 26, consideration of Bill C-109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act, as reported (without amendment) from a legislative committee.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred divisions at report stage of Bill C-109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radio Communication Act.

The first question is on Motion No. 1. A vote on this motion will also apply to Motions Nos. 2 and 3.

The House divided on Motion No. 1, which was negatived on the following division:

(Division No. 472)

YEAS

Members

Allmand
Althouse
Anawak
Angus
Arseneault
Assad
Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)
Bélair
Bellemare
Benjamin
Berger
Black
Bouchard (Lac-Saint-Jean)
Boudria
Breaugh
Brewin
Butland
Caccia
Catterall
Clancy
Copps
de Jong
Dingwall
Duceppe
Duhamel
Ferguson
Finestone
Fontana
Funk
Gaffney
Gagliano
Gauthier
Gray (Windsor West)
Grey (Beaver River)
Guarnieri
Harb
Harvey (Edmonton East)
Heap
Hunter
Jordan
Kaplan
Keyes
Kilgour (Edmonton Southeast)
Kindy
Kristiansen
Laporte
LeBlanc (Cape Breton Highlands—Canso)
Leblanc (Longueuil)
Lee
MacLellan
Manley
Marchi
Marleau
McCurdy
McGuire
Milliken
Mills
Nowlan
Nunziata
Nystrom
Parent
Peterson
Phinney
Pickard
Proud
Prud'homme
Rideout
Riis
Rompkey
Skelly (Comox—Alberni)
Speller
Stewart
Stupich
Tremblay (Rosemont)
Vanclief
Walker
Wappel
Wood—79

NAYS

Members

Andre
Atkinson
Attewell
Beatty
Belsher
Bernier
Blackburn (Jonquière)
Blais
Blenkarn
Bosley
Bouchard (Roberval)
Brightwell
Browes
Cadieux
Casey
Chadwick
Champagne (Champlain)
Clark (Yellowhead)
Clark (Brandon—Souris)
Cole
Collins
Cooper
Corbeil
Corbett
Côté
Couture
Danis
Darling
de Cotret
Della Noce
Desjardins
Dick
Dobbie
Domm
Duplessis
Epp
Fee
Feltham
Ferland
Fontaine
Fretz
Friesen
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Guilbault

Gustafson	Harvey (Chicoutimi)
Hawkes	Hicks
Hogue	Horner
Horning	Hughes
James	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Koury	Landry
Langlois	Larrivée
Littlechild	Loiselle
Lopez	MacDonald (Rosedale)
MacDougall (Timiskaming—French River)	MacKay
Malone	Marin
Martin (Lincoln)	Masse
Mayer	Mazankowski
McCreath	McDougall (St. Paul's)
McLean	Merrithew
Mitges	Monteith
Moore	Nicholson
Oberle	O'Kurley
Plourde	Porter
Pronovost	Redway
Reimer	Ricard
Richardson	Robitaille
Roy-Arcelin	Saint-Julien
Schneider	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Valcourt	Van De Walle
Vankoughnet	Vézina
Vien	Vincent
Weiner	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—123

PAIRED MEMBERS

nil/aucun

• (1840)

The Acting Speaker (Mr. DeBlois): I declare Motion No. 1 lost and I therefore declare Motions Nos. 2 and 3 lost.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. There have been further discussions and further consultations with my learned and distinguished colleagues, and you might find disposition in the House to apply the vote just taken on Motion No. 1 to Motions Nos. 4 and 7, and that same vote would apply to the motion to concur at report stage of Bill C-109.

Mr. Nowlan: Mr. Speaker, I rise on the same point of order. There have been consultations here in the power corner and there was also the mental telepathy with the opposition House leader. In this corner where there were not consultations beforehand there is agreement that the vote on the motion we just disposed of will apply to all their motions and the main motion on division.

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, we are now part of the establishment. They have spoken to us today so we support the positions taken by the NDP and the Liberals.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair has received two suggestions: one from the Opposition House Leader and one from the hon. member for Annapolis Valley—Hants.

[*English*]

May I suggest that it is carried?

An hon. member: Carried on division.

The Acting Speaker (Mr. DeBlois): Negatived on division on the motions and adopted on division on the main motion. Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): Agreed and so ordered.

Motions Nos. 4 and 7 negatived.

Hon. Pierre Blais (Minister of Justice) moved that the bill be concurred in.

Motion agreed to.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being 6.45 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.45 p.m.

HOUSE OF COMMONS

Wednesday, April 28, 1993

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE BUDGET

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, for weeks Canadians have been led to expect a federal budget filled with significant measures to address the mounting number of casualties from the Tory voyage to the bottom of the economy.

The document received Monday will be remembered as an April fool's budget, a sad hoax with nothing new and nothing now. This budget is more a prophecy than a plan. Virtually no new measures are included for 1993-94, nor is any improvement in unemployment or the deficit promised for the coming year.

Rather than assist growth this government assumes growth and assumes that Canadians will wait until 1998 for new jobs. Each Canadian who is out of work needs a new job, not the snow job offered by this government.

Canadians are tired of a regime that finds ways to be more mean with less means.

* * *

THE BUDGET

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, in the budget that was presented by the Minister of Finance on Monday there were provisions for the privatization of a number of Crown corporations and other bodies. Among these was a commitment to study the feasibility of privatizing Transport Canada's helicopter operations.

• (1405)

Transport Canada operates a fleet of 44 helicopters whose chief responsibilities are navigational aid calibration, resupply operations, aviation inspector training, ice reconnaissance and pollution control.

Many of these responsibilities of Transport Canada's helicopter fleet are critical to save marine operations off the coastlines of Canada, including the Bay of Fundy which is partially in my riding of Fundy—Royal.

I would urge the Minister of Transport and the Minister of Finance to ensure that fiscal responsibility does not take precedence over the safety of mariners because no price is too great when human lives are at risk.

* * *

[*Translation*]

PUBLIC SERVICE

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, yesterday the President of the Treasury Board announced the government's plans to cut at least 16,500 jobs in the federal Public Service over the next five years and to review its work force adjustment policy. These measures are an obvious attempt by the Conservatives to blame public servants for their own incompetence in managing the economy.

[*English*]

According to Treasury Board officials these cuts could mean a loss of $825 million to the national capital region's economy. If it is wise management the government wants, why is it not listening to the public accounts committee and the Auditor General's recommendations instead of cutting services that are provided to Canadians?

What Canada needs is not more unemployment or more people on welfare. What it needs to get the economy moving again is jobs, jobs and jobs.

S. O. 31

NATIONAL DAY OF MOURNING

Mr. Doug Fee (Red Deer): Mr. Speaker, on a sombre note I rise to pay tribute to victims of work related accidents on this National Day of Mourning.

In Canada work place fatalities and injuries cost about $9 billion each year for direct compensation to individuals, retraining and lost productivity.

No amount of dollars can replace a human life. Occupational health and safety is everyone's concern. Safety and health efforts must be both preventive and proactive.

Education and training are required to nurture the kind of awareness that will minimize work place accidents and illnesses. While governments and laws serve a useful regulatory function, it is still the workers and employers who must work together to create safe work places.

On this sombre occasion, it is not enough to mourn those who have died. We must encourage everyone, labour or management, to rededicate themselves to improved safety programs and to making safe and healthy work environments a reality.

* * *

THE BUDGET

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, the bond rating agencies and the national media claim that this government has not made enough cuts.

That depends on who people are and where they live. Young people in Prince Albert—Churchill River and other far away places in this country will pay for the deficit with their futures.

Their futures depend on training, experience and research and development but my riding alone will lose over $1.5 million in training funding because of the effect of UI changes on the CJS program.

The government put control over student loans in the hands of the Royal and Commerce banks. Students who do not have a local branch or come from low-income families can go to the end of the line.

As MPs we all know the government cut the SEED program, which means fewer summer jobs. It cut funding for friendship centres which provide support for aboriginal youth. It cut federal-provincial forestry and mining agreements which are the only source of research and development in my constituency.

Shame on the government for making young people pay for the deficit with their futures, and shame on the national media for not reporting what is really going on this country.

* * *

[*Translation*]

THE BUDGET

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I think it is important to mention the impact of the budget on transfer payments to the provinces.

The message from the Minister of Finance is that it would be irresponsible to penalize the provinces by reducing transfer payments at a time when they already have trouble making ends meet.

In fact, our government has decided to act responsibly by urging the provinces to join us in seeking concrete solutions to the debt problem.

There is only one taxpayer, and the only way to deal with our tax problems is to cut spending on government operations, be better managers, in co-operation with the province, and reduce the tax burden on Canadian taxpayers.

[*English*]

We must secure the integrity of our country first.

* * *

CANADA LABOUR CODE

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I would like to make it clear at the outset that I speak as a private member and not as the labour critic for the Liberal Party.

We are now in the process of revamping the Canada Labour Code. Among the suggestions I make to the House is one which would affect workers when they reach the final bargaining stage of a given work conflict.

I urge the House to consider the interest of the employees in allowing the employees to have a say in their future through a vote on an offer made by the management.

• (1410)

This is a feature which is already built into the constitutions of some unions but not all of them, which means that in some cases a significant number of employees may want to vote on the offer.

This feature might be of particular benefit when work conflicts last for an inordinate length of time. It should be noted that three provincial NDP governments, in Ontario, B.C. and Saskatchewan, already have this as part of their labour laws.

* * *

EMPLOYMENT

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, I would like to applaud the government of the province of Alberta for its initiatives to get people off welfare and into the labour market.

In 1990 the province began its Supports for Independence Program. The pilot projects have been a success and the minister of family and social services has announced a three-year plan to channel resources to provide support and incentive so that people on welfare complete their schooling, acquire job skills and find work.

Costs are recovered through a redistribution of welfare dollars. The focus has shifted from simply covering immediate financial needs to looking at the needs of each individual in order to get back on his or her feet.

It is a positive effort with the long-term goal of providing a path for people on welfare to a future of economic self-sufficiency. It is working because many on welfare want to be self-reliant.

This initiative is one that the federal government should encourage all provinces to follow.

* * *

THE PRIME MINISTER

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my constituents have been phoning my office with a very serious question. Namely, with one million children living in poverty and 1.4 million unemployed how can the Prime Minister proceed with a $1 million farewell tour of Europe?

This leaves a bitter taste in the mouths of those who live hand to mouth, and further betrays the taxpayers who will be footing the bill for this extravaganza. These Canadians can never dream of spending thousands a night for hotel rooms for themselves and hangers-on. Many count themselves lucky to have a roof above them and a pillow on which to lay their heads.

A word of advice to this government on investing. Take the $1 million and send it to food banks like Winnipeg Harvest. For every $1 donated $20 worth of food can be gathered and distributed. Or take the money and put it into job training for the unemployed. That is investing in the future of all Canadians, not just in the future of the Prime Minister.

* * *

NATIONAL DEFENCE

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, those who criticize the federal government's intention to buy EH-101 helicopters never acknowledge the positive impact of this purchase.

The cost of the helicopters is projected to be $4.4 billion in 1988 dollars with a positive impact to the Canadian aviation industry in the amount of $3.2 billion. The contract would be spread out over 13 years and have a continuous benefit to all of Canada.

Recently an aerospace industry in Nova Scotia was forced to lay off workers and in its press release stated that the lay-off would not be necessary if it had the projected work from the EH-101 helicopter contract. In fact, instead of lay-offs it would be hiring more people for long-term, quality jobs.

To those who question the price of the helicopters I say that they must also consider the tremendous positive impact. To purchase a lower quality helicopter with no benefit to the Canadian industry would be worse than to buy a more expensive EH-101 when there is such a significant impact on our economy.

* * *

NATIONAL DAY OF MOURNING

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, today, April 28, is Canada's National Day of Mourning for workers killed and injured on the job. It

marks the third such official memorial since my NDP colleague, the hon. member for Churchill, succeeded in persuading Parliament to officially recognize this important day of reflection and commitment.

On this day thousands of Canadian workers and others have gathered in hundreds of communities across Canada to remember the approximately 1,000 of their workmates who have died in the work place during this past year and the roughly one million who have been injured on the job.

We particularly remember the 26 miners who were killed suddenly in the Westray coal mine explosion of May 9, 1992 and the nine who died at the Giant Yellowknife mine. However, it is not enough to remember.

Let us commit ourselves to improving the safety, health and related legislation which protects those who produce and distribute our wealth.

• (1415)

In particular, I urge this government to proclaim immediately the health and safety part III of the Parliamentary Employment and Staff Relations Act which this House passed in 1986 and to enact Criminal Code amendments to protect Canadian loggers and mill workers from those who would seriously endanger their lives by the spiking of trees.

* * *

NATIONAL CONSUMER WEEK

Mr. René Soetens (Ontario): Mr. Speaker, I am pleased to rise in the House on this third day of National Consumer Week to highlight the importance of consumers in our marketplace.

Under the theme "It's Everybody's Business" National Consumer Week intends to heighten public awareness of consumer and marketplace issues. Every day millions of Canadians all across the country step into the national marketplace to choose from a sophisticated array of goods and services.

Individually, consumers might feel that their purchases have little impact on the businesses that serve them and less effect on the economy. Collectively however their decisions have an enormous effect on Canada's national economy and its ability to sustain itself against increasing competition.

That is why competent, well-informed and demanding consumers are a vital link in the chain that leads to prosperity. National Consumer Week is an invitation to all Canadians to work together in order to maintain a fair and efficient marketplace.

National Consumer Week will provide Canadians with an opportunity to become better informed on marketplace issues that concern them as well as their own rights and responsibilities in the marketplace.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance.

The minister has been trying to make excuses for the market's negative reaction to the incompetence and mismanagement shown by him and the Conservatives when it comes to the handling of Canada's financial affairs. Speaking about his budget he said: "I think there were hyped up expectations—I guess there is disappointment in that regard". Disappointment is an understatement.

Why is the minister blaming others for this sorry state of affairs? Did he not create these hyped up expectations himself? Why did he do this if he was not able to follow through in his budget both on the deficit and with a strategy for strong job creation and growth?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the December statement and the budget were dedicated to creating the environment for economic growth and the creation of jobs while at the same time dealing with the fiscal problems of the nation. They also set in place a process to deal with the deficit problems faced not only by the federal government but by the provincial governments as well.

If the hon. member were to recall the position of the business community on the budget back in 1985, it criticized that budget when we were going to take $13.8 billion worth of expenditure cuts over a five-year period. It found that budget to be too tough, too mean-spirited and withdrew support for it.

It is that same business community that today is saying we did not go far enough when we are providing for expenditure cuts of $30.7 billion over a five-year period.

Hon. Herb Gray (Windsor West): Mr. Speaker, are we seeing the end of a love affair between the Conservatives and business?

The Minister of Finance has also been reported as excusing himself and the Conservatives for the mismanagement and incompetence I have spoken about when it comes to handling Canada's financial affairs as shown by his budget because of the leadership race and the forthcoming general election.

I ask the minister why in his budget did the political well-being of the Conservative Party turn out to be more important than the economic well-being of Canada and the need both for the right action when it came to fiscal management and a strategy for strong job creation?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, clearly the well-being of Canada, Canadians and the Canadian economy was on my mind when I put this budget together. That is why, despite the resistance of the opposition who have refused to support the expenditure reduction initiatives, every single one of them since we have been in office, we continue to move forward.

The budget sets out to achieve the deficit targets for 1993-94. It provides zero growth in public expenditures. That is the lowest rate of growth in 40 years, since 1952. Program spending will come down to a 13.9 per cent share of the economy. That is the lowest in 30 years. That is a far cry from the close to 20 per cent share that was achieved during the time the hon. member was in government.

• (1420)

[*Translation*]

Hon. Herb Gray (Windsor West): Mr. Speaker, the minister is proud of the targets set out in his budget, but Canadian Bond Rating Service Limited explained its decision to lower the credit rating of federal government bonds by referring to the fact that since 1988 this government had been systematically off target in meeting its deficit projections.

I therefore ask the Minister of Finance how he can challenge the agency's decision, considering certain facts that clearly demonstrate the incompetence and poor management of his Conservative government. How can he do that?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if the hon. member was following market trends, it appears quite obvious that international investors have totally dismissed and disregarded the CBRS announcement because it was based on erroneous information.

Today, Moody's Investors Service issued a statement saying that it has no plans to cut Canadian debt ratings. Canada's foreign currency rating was affirmed at AAA and was reaffirmed at AAA on January 28 after a three-month review period. Standard & Poor's also says it has no plans to lower Canadian debt ratings. Of course the hon. member knows these are the most prestigious and most followed international credit advisors and credit rating agencies.

The CBRS statement can only be dismissed as being erroneous and not having much impact.

* * *

[*Translation*]

NORTH AMERICAN FREE TRADE AGREEMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister.

The U.S. budget director said that NAFTA in its present form was dead in the water. However, this government is using its remaining weeks in power to try and force ratification of the NAFTA agreement as is.

My question to the Prime Minister is this: Why will the government not renegotiate an agreement that would be more in line with Canada's interests and why is it so anxious for Parliament to adopt an agreement even before it has been negotiated at the international level?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, first of all the President of the United States and the trade commissioner of the

United States have rejected the comments of Mr. Panetta. As a matter of fact I was watching with great interest last night when the President commented. I think I am quoting him correctly when he said that Mr. Panetta had a bad day when he made that statement.

The President of the United States, the President and the Government of Mexico and the Prime Minister and his government in Canada are dedicated to having the free trade agreement passed to become effective on January 1, 1994 and we are proceeding in that direction.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I do not understand why the Conservative government always thinks it is better to cave in first and negotiate later which is what it is doing in this particular initiative.

I ask the minister to respond specifically to the fact that the Mack truck plant in Oakville, Ontario is being closed in a power play by the American company and the American union, even though it was the most productive of the Mack truck plants across North America.

Instead of ramming the NAFTA through Parliament why is the minister not renegotiating the deal to close the trade loophole through which the Americans right now are driving a Mack truck? What is the government afraid of?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I am sure the hon. member knows full well that any decision made by Mack truck has nothing to do with the free trade agreement. It has absolutely nothing to do with it whatsoever.

Companies rationalize and of course the Liberal Party in living back about 30 or 40 years does not understand that. There is a great deal of rationalization in the private sector. There is a great deal of rationalization in the public sector as well and we will see these types of things happen. We are also seeing rationalization taking place where companies are coming back and consolidating in Canada and closing down plants in the United States. It works both ways and the hon. member knows that.

• (1425)

THE BUDGET

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, my question is directed to the Minister of Finance who has accomplished the impossible. He has brought in a budget that has caused outrage in virtually every part of the Canadian economy and right across Canadian society. Even his own corporate friends have said the government has brought in an inappropriate budget.

For the first time this country's credit rating is going down. The dollar is dropping. Interest rates are going up. Will the Minister of Finance now admit, with the condemnation that his budget has received across the country, that what this government is doing is wrong and not in the best interests of the Canadian economy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member who gets up and asks the question with glee had better wipe the smile off his face because what the budget has achieved is it has driven a wedge between the federal NDP and the provincial NDP.

Imagine this, Mr. Speaker: "Federal New Democrats are sharply criticizing Ontario's Bob Rae for what they call the provincial NDP government's Draconian attempts to cut the deficit. In an unprecedented break in party unity, federal NDP finance critic Steven Langdon says Rae is on the wrong track".

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to say to my hon. friend what a member of the House has stated about the Rae government is not supported by this federal caucus. This federal caucus is strongly behind the Rae government in its actions in Ontario.

I noticed that the minister chose—

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member for Kamloops has the floor.

Mr. Riis: Mr. Speaker, I want to go back to the Minister of Finance and point out that he refused to answer my question. I will repeat it for him. The budget that was brought in did absolutely nothing to assist those

four million Canadians who are either unemployed or underemployed. Those who were calling for serious deficit and debt reduction have been ignored.

Will the Minister of Finance not acknowledge the fact that his budget, after eight and a half years, reflects the mismanagement of this particular government in dealing with the economy? Should he not do the honourable thing for Canada and Canadians and offer his resignation to the Prime Minister?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the Liberals do not agree with that. However, I am sure the Liberals are as concerned as I am about what the hon. member has just done. We have now discerned more division within the NDP ranks and he has just repudiated the party's finance critic. He has literally fired him on the floor of the House of Commons. What a shameful, shameful gesture.

Some hon. members: Shame.

Some hon. members: Resign.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, in the media today there was reference to the budget and this government as being a lame duck government. It is not a lame duck; it is a dead duck government and this budget reflects that.

Forget the Minister of Finance, I want to ask my friend the Prime Minister: Will he not acknowledge the fact that after eight and a half years of fiscal mismanagement, after eight and a half years of being in office, this country still has the same levels of debt and deficit and that nearly four million people are either unemployed or underemployed? Will the Prime Minister not do the right thing, send hope to the people of Canada and ask the Minister of Finance to step down from that position?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is indeed an historic day. There has been the repudiation of the finance critic of the NDP. There has been further division between the federal and provincial NDPs and now, in terms of what has just transpired, they are going to have to get rid of that national anthem of Solidarity Forever because it is gone.

I do not want to hurt Mr. Rae, but I think most members of the House would indicate that the premier of Ontario is on the right track in deficit reduction. He is trying to contain the cost of government expenditures. I regret that this finds disfavour with the federal NDP because it is the same policy that Mr. Romanow is pursuing and that Mr. Harcourt is pursuing.

The leader in this has been the Minister of Finance. I point out to my hon. friends one fact only, and they can make up their minds whether they think it is valuable. In 15 years program expenditures in Ottawa increased at a rate of 13.8 per cent a year, every single year for 15 years. In the last nine years this rate of increase has been reduced to 3.8 per cent. I think that is a remarkable tribute to this Minister of Finance as well as his predecessor.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Minister of Finance.

It is obviously very embarrassing and unfortunate for a government to have the Auditor General of Canada point a finger at it. It is unfortunate and embarrassing to see a Conservative government, especially after nine years in power, trying to hide the whole truth about the increase in the budget deficit.

In an article in today's *Globe and Mail*, Mr. Desautels, the Auditor General of Canada said and I quote: "This is not the first time it has happened. There is very little information in the budget explaining why we are off target by so much this year".

I therefore want to ask the Minister of Finance why he can provide no clear justification for a deficit that will be $8 billion over his own 1992 projections.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would be very glad to provide that information to the Auditor General because it is public knowledge.

I outlined that in detail during the December statement. I indicated that the slippage in the deficit was caused totally by the slippage in revenues which I estimated at $8 billion at that time.

In the budget I explained a further deterioration that had occurred since that time to the tune of about $1.1

billion. It has been the slippage and the deterioration in revenues that have caused the slippage in the deficit.

That is indeed public knowledge. I would be very glad to provide it to the hon. member and certainly send it over to the Auditor General.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, for two years the Auditor General has called upon the government to publish a score-card with the budget to compare results with projections. Obviously the Tory government does not want Canadians to see the score-card of the tired old government that has lost control of the budget reins.

The Auditor General suggests that unless the government explains in detail why it so widely missed the mark on the deficit this year, last year and the year before, Canadians should be sceptical about the projections of this year's budget.

I ask the Minister of Finance: Why should Canadians believe his projections or those projections this year when he has missed the mark in the last four years?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, there are a number of questions posed there and I hope I can answer them all.

First and foremost that is precisely why I made a statement in December, to lay before Parliament, indeed the public of Canada, the state of the financial affairs of the nation. I did it very openly. I did it again in the course of the budget. That information is all public knowledge.

The hon. member questions my figures. I am projecting a growth rate this year of something under 3 per cent. The IMF, in its latest forecast just issued yesterday, said that it sees Canada's growth rate for 1993 at 3.2 per cent. Next year, 1994, it says that the growth rate for Canada will be 4.4 per cent, much in line with what we are providing.

• (1435)

I repeat and I say to my hon. friend who has been a long-standing member of this House and has seen Liberal years and Conservative years that he will know when we assumed office in 1984 the deficit to GDP at the time was 8.7 per cent. We have cut it in half. It will be 4.5 per cent this year and going down to .9 per cent at the end of the fiscal framework presented in this budget.

Mr. John Manley (Ottawa South): Mr. Speaker, the budget presented on Monday resulted in a decline in the value of the Canadian dollar, a rise in the bank rate, Canadian debt being downgraded by the CBRS and unprecedented criticism of the budgetary process by the Auditor General of Canada.

The minister's budget does not meet the expectations of two of his cabinet colleagues when it comes to deficit reduction. It is clear the international markets have declared a lack of confidence in the minister as a result of their reaction.

In light of the lack of confidence in the minister and his budget, and given that confidence in the Minister of Finance is of vital concern to all Canadians, does the minister not have to choose between presenting a new budget and offering his resignation to the Prime Minister? Which will he choose?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member knows that yes, there have been some jitters in the exchange market that have been overcome. The market is strengthening. The dollar is going up and interest rates are moderating. The spreads are moderating.

I think the statement made by the Canadian Bond Rating Service has been largely dispelled by the action—

An hon. member: Discredited.

Mr. Mazankowski: —and, as my hon. friend said, discredited by the action of the major credit rating agencies, namely Standard & Poor's and Moody's. There are a number of other international financial organizations that have expressed similar scepticism about the rather curious action on the part of the Canadian Bond Rating Service agency.

Mr. John Manley (Ottawa South): I should think, Mr. Speaker, that the minister would be more concerned with the judgment of the markets which have been quite clear.

I would also like to ask him about the opening premise to his budget in which he said that there were no tax increases, yet by reducing by $625 million the amount of the GST rebate payable to low income Canadians in the

current fiscal year he has effectively increased the net GST return for the current fiscal year.

Why did the minister try to pass off his budget as one that did not contain tax increases when he raised this year's GST burden on the poorest Canadians?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, in the hon. member's first question he was criticizing me and the government for not cutting enough. Other members have been criticizing me and the government for not cutting enough. He cannot suck and blow at the same time.

The fact of the matter is that there are $3.8 billion worth of real cuts in 1993–94. There are $5.8 billion worth of real cuts in 1994–95. There are $7.9 billion worth of real cuts in the end of the fiscal framework, for a total of $30.7 billion, the largest expenditure reduction in the history of Canada.

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NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, my question is for the Prime Minister.

The news out of the U.S. is that NAFTA is dead. It is not only the opinion of Mr. Panetta but the majority of Congress. Death usually brings mourning, but the Canadian people will rejoice the death of NAFTA.

President Clinton and the U.S. Congress have indicated they will only support NAFTA if the side accords have teeth. Yesterday in committee we learned that the side accords will definitely have no teeth whatsoever. The obituary will read: NAFTA is dead.

Why is this government continuing to ram NAFTA through committee and subsequently through the House of Commons?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will be happy to answer that question. The larger question though is: Where has the NDP gone? They have left the House to have a special caucus on unity and—

Some hon. members: Oh, oh.

• (1440)

Mr. Mulroney: On behalf of the Liberals, ourselves and others, may I just express the hope that this break-up, this lovers' quarrel, can be patched up between Toronto and the federal NDP. I think we all would like to see a return of affection.

Mr. Mazankowski: They are looking for a marriage counsellor.

Mr. Mulroney: They are looking for a marriage counsellor.

Mr. Peterson: Bob White is mediating.

Mr. Mulroney: I will not touch that one, Mr. Speaker. My hon. friend mentions it was indicated that NAFTA was dead in the United States, and he took some pleasure in that.

This of course has been repudiated by the President of the United States, by Speaker Thomas Foley who said the treaty will be approved, by Labour Secretary Robert Reich, by U.S. trade representative Mickey Kantor, by Senate majority leader George Mitchell and by the spokesman for the White House.

My hon. friend may have want of a different question. My hon. friend says: "Maybe Brian Mulroney is on his last legs". I will tell him I will be gone before NAFTA is.

Mr. Axworthy (Winnipeg South Centre): Why don't you take it with you?

Mr. Steve Butland (Sault Ste. Marie): I am somewhat impressed, Mr. Speaker, with the Prime Minister's list but I can assure him I could provide a much longer list of congressmen opposed to NAFTA. I suspect in a vote that NAFTA will be dead.

This government strategy to ram NAFTA through is creating a legislative nightmare. Other legislation before the House will be impacted by NAFTA and will have to be changed later. Errata, which means mistakes and that is not surprising, are already being issued. Significant aspects of this bill will not be debated in the House but will be covered by regulations.

How can what amounts to an economic constitution of Canada be handled so quickly and so incompetently?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the matter is being handled carefully and thoughtfully by the government, by members of the opposition and by others in the House. It is an important question that is in the process of being debated and considered by the House, and the House will render a

judgment, a yea or nay on this. That is the way democratic institutions function.

Mr. Harvey (Edmonton East): Closure.

Mr. Mulroney: Closure. That is a good suggestion. Could we consider that?

* * *

BOSNIA

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

For the last two days we have been raising questions with the minister and the Minister of National Defence about the precarious situation of our troops in Bosnia. We have been told that in fact everything is under control.

This morning we learn that French defence minister François Léotard has said this about French peacekeeping troops in Bosnia, and I would like to quote: "If questions as simple as the definition of mission, the clarity of command and the sufficient finances are not resolved, we will withdraw our troops".

Clearly the French defence minister is deeply concerned about the situation of their troops. His decision puts in real jeopardy our own peacekeeping operation in Bosnia.

I want to ask the minister: Have they had discussions with the French to discuss these concerns raised by the French defence minister? How does it impact upon the security of our own troops who are presently facing renewed fighting around Srebrenica? Is the minister finally going to do something about clarifying the role of our troops in that very difficult theatre of operations?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the hon. member is quoting the French minister out of context, but let me say that all of us have concerns.

• (1445)

There is no country which has troops in Bosnia and indeed many which do not have troops in Bosnia which is not concerned about the situation there on the ground and the kinds of actions that we can be looking at in terms of how to resolve this very difficult situation. I have never suggested that we have not had concerns.

What I have said is that by working closely with our military and all of the allies which are involved in the theatre in Bosnia, we feel that everything is being done that can be done and should be done to accomplish the mission. Our commanding officers in the field and our three officers in headquarters at the United Nations obviously reflect the realities back to us as to what they feel the situation is. We will continue to have those concerns.

If we did not feel that our Canadians could accomplish their missions, then we would raise it with the United Nations. When we have concerns, we do that and we will continue along the path we are taking now.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, as the minister well knows, the French have over 5,000 troops. They are the best equipped contingent within the UN arrangement in Bosnia.

If the French follow through with their threat to withdraw their troops, it puts our contingent in a very serious and very precarious situation.

It really points out the unresolved issue that we have sent troops to handle humanitarian missions. They are now being asked to protect enclaves and to protect civilians but there has been no clarity from the UN or from our government or anybody else as to exactly what the rules of engagement or the terms of that operation should be.

I want to ask the minister: Is it not time that we had a serious debate in this House of Commons about the role of our peacekeepers in Bosnia and that this government seek to ensure that if we are going to be asked to protect civilians in Bosnia that our troops are properly equipped and properly given the kind of support needed to complete that mission?

Mr. McKnight: It's an opposition day tomorrow, Lloyd.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, quite aside from the fact that tomorrow is an opposition day, and I am sure the hon. member could raise whatever he wishes to raise in this debate, I would certainly be interested in knowing from him what he thinks we should be doing.

Does he think we should withdraw the people that we have there? Does he think that we should abandon the humanitarian effort? Does he think that we should abandon the United Nations on the ground and all the people we are assisting?

Mr. Axworthy (Winnipeg South Centre): What is your position?

Mrs. McDougall: I have made my position and the position of the government very clear in terms of our troops both in Srebrenica and in other parts of Bosnia.

As the hon. member knows, I am hoping to go there next week. I will meet with our people on the ground. In the meantime we have excellent communications with our people there. We will continue to take their advice and to work closely with our allies.

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SOMALIA

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Prime Minister.

The Minister of National Defence acknowledged on Monday that there is a concern over secrecy and that the public has a right to be informed about the difficult events in Somalia.

On the other hand, the minister set up a behind closed doors inquiry whose report she can censor and continues to refuse to answer very specific questions about what she knew, when she knew it and what she did about it.

My question to the Prime Minister is this. If the government is so concerned about not prejudicing the investigation which will take place, why will the Minister of National Defence not have an open public inquiry that will review the situation of our troops in Somalia and also review very carefully the role of the Minister of National Defence?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as the minister said on several occasions and indeed as the Judge Advocate General has indicated, it would be most inappropriate to go into the details of the case while the investigation is going on. The hon. member knows that. He knows that details cannot be discussed.

In terms of the inquiry, the inquiry was announced by the minister on Monday. The mandate of that organization and the people will be announced by the chief of defence staff this afternoon at 3.30 p.m. There will be civilian individuals on it. Obviously the inquiry has to be *in camera* because the kind of information adduced could be prejudicial to the investigations under way and make it impossible for justice to occur.

The intent of the government is to seek the truth and not to ascribe motive or lay blame. It is absolutely false of the hon. member to claim that the Minister of National Defence will censor the report before it is released.

• (1450)

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the minister knows very well that there are many unanswered questions still to be discussed and answers to be provided.

For instance, why did the senior military commander in Somalia try to conceal one of the four deaths as the minister claimed? Why was the minister not told it was a homicide for two weeks, so the minister claims?

Now General MacKenzie, a retired general of the Armed Forces, said: "I am very concerned for the morale of our troops in Somalia".

Mr. McKnight: And he said the Liberals and the NDP are causing the downfall of the morale.

Mr. Dingwall: The inquiry announced by the minister of defence is being held from the point of view of a person who had to find some way to deflect or to delay.

My question to the government House leader is why is the government trying to whitewash this matter? Why not have an open public inquiry and give everyone an opportunity to participate?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, again the hon. member has made false statements.

He indicated that the minister of defence did not know about the situation and did not take the appropriate

action. That is false. The situation was brought to her attention immediately and an investigation was done as per the regime in the military.

That led to the requirement to send out an investigating team from Ottawa. That investigation is under way. Again I repeat, I wish the hon. member would have respect for our legal system and recognize that the kind of thing he is asking for would be prejudicial to the individuals involved.

In terms of former General MacKenzie's comments, what he was saying, the kinds of questions asked in this House by the Liberals and NDP have been damaging to the reputation of the Armed Forces. That is precisely what he has been saying.

What we seek through this board of inquiry is an independent board with civilians on it who can look into the situation, report back in a relatively short timeframe. In the meantime, I wish hon. members of the opposition would show respect for the men and women in the Canadian Armed Forces who are doing outstanding work in Somalia and other places around the world.

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EMPLOYMENT

Mr. John A. MacDougall (Timiskaming—French River): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Last Friday, central Timiskaming was dealt a major blow with the provincial government cancelling 200 job relocations by the ministry of natural resources. There was the closing down of the agriculture college involving 50 jobs.

The area is now facing 35 per cent unemployment. Over the past 20 years, 127 townships have been under a land caution with no development. Both the Ontario and the Supreme Courts have ruled but the province insists that the federal government should be at the table for negotiating settlements.

Can the minister tell my constituents if the province is correct that the federal government should be at the table?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I wrote last week to the minister of native affairs for the province of Ontario and Chief Potts of the Teme-Augama Anishnabai band arising out of the finding of the Supreme Court of Canada in 1991 that the treaty rights of the Teme-Augama Anishnabai had been adequately dealt with by way of the Robinson-Huron treaty which was signed over a century ago and that any further disputes between the province of Ontario and the Teme-Augama Anishnabai could be dealt with by the negotiation of a treaty between those two parties and that the federal government would deal with any outstanding claims against us through our specific claims policy.

Those negotiations should proceed between the two other parties.

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OZONE LAYER

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question is for the Acting Minister of the Environment.

Canadians are extremely worried about the disappearing ozone layer. There are record high levels of ozone depletion. It is 24 per cent over Ottawa today.

I ask the person speaking for the Minister of the Environment how much money this government has allocated to research the impacts and adaptation to ultraviolet B radiation.

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Mr. Speaker, as I indicated in the House on Friday there are a number of initiatives that this government has taken with respect to the ozone layer.

That is not only in ensuring that Canadians are aware of the changes that potentially could impact on them but on the broader research side and in the leadership position with the Montreal protocol dealing with ozone.

Our continuing efforts to work collaboratively with the provinces is not only to get rid of the existing substances which cause the depletion of the ozone layer but also to ensure that we are not adding to that.

This is an ongoing activity under our green plan with a number of departments in the provinces and we, indeed, intend to meet our targets and in fact hopefully even better them.

• (1455)

Ms. Lynn Hunter (Saanich—Gulf Islands): My supplementary is for the Minister of National Health and Welfare. I ask the same question I asked this time last year.

Right now tens of thousands of Canadians are developing skin cancer and cataracts because of exposure to cancer-causing ultraviolet radiation. I ask the minister again this year if he will finally introduce legislation to rate and test UV protection of both sunscreens and sunglasses.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the member knows that the Minister of the Environment in collaboration with the Department of National Health and Welfare made a declaration last year and strengthened the sun exposure regulations.

In terms of the legislation we are still working with the Department of the Environment and when there is reason to believe that the legislation is necessary we will pass the legislation. So far the Minister of the Environment has worked in a way that we believe it should work in terms of the necessity at the time and that which we still have.

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PUBLIC WORKS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Public Works and it is my standard question about the fixed link.

The fixed link remains a key to transportation and development in Atlantic Canada. I see where the public works department has begun public hearings for the second time. Could the minister outline the future of the fixed link and if it is approved by the panel when can construction begin?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I am very pleased to respond to my colleague on this very important private sector initiative.

Public Works Canada is presently conducting a section 12 determination pursuant to the recent Federal Court decision. Public meetings to give residents on both sides of the strait an opportunity to become familiar with this specific environmental evaluation documentation and provide their comments will be ample. These comments will be taken into consideration when the section 12 decision is made.

In addition and according to the environmental assessment review guidelines order, public works will continue to invite comments on the section 12 decision.

The premier of Prince Edward Island and I have had recent discussions and we can count on her co-operation on the constitutional issues.

I am surprised to hear my colleague from the Annapolis Valley who was part of this House and who can attest from long experience what is required to help the region and to help transportation and economic development take such a short-sighted and counter-productive view of this important project.

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THE BUDGET

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, in last year's budget this government projected an unemployment rate of 9.5 per cent. Now it is projecting an unemployment rate of 11.1 per cent for this year. Clearly the economy is getting worse.

The absence of an economic plan in this budget clearly reveals that this government is exhausted, lacks ideas, and the political will to bring about positive change in Canada.

My question is for the Minister of Finance. When will the minister realize that his stay the course, do-nothing approach has devastated the lives of millions of Canadians? When will this minister change the course?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, once again may I simply point out to the hon. member that based upon the latest IMF forecast we are projecting Canada to have the fastest growth in the G-7 countries at 3.2 per cent this year and 4.4 per cent next year.

I remind the hon. member that there were 200,000 new full-time jobs created since last August, 48,000 jobs created last month. We are expecting 300,000 new jobs created from the fourth quarter of 1992 to the fourth quarter of 1993 and over 400,000 jobs in the next year.

We expect to bring unemployment down to 7.5 per cent by the end of the fiscal framework.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, for nine years this government has asked Canadians to sacrifice themselves to build a strong economy for future generations.

This do-nothing budget however gives no hope to the over 420,000 young people who are presently unemployed and the hundreds of thousands of students who will be looking for summer employment.

Why has this government turned its back on Canadian youth?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member knows that since we have come to office Canada has had the second best rate of growth in the G-7 and the best rate of job creation of all the G-7 countries.

• (1500)

The February 1992 budget, the December statement and this budget provide the basis and foundation for long-term sustained growth and price stability, job creation and a growing economy and at the same time contain the deficit.

Yesterday they were raising Cain with me because the budget was cutting too much and was not satisfying the needs of the big business community. Today they are taking a different approach and I can only concur with the findings—

Mr. Speaker: We must push on. The hon. member for Willowdale.

Mr. Jim Peterson (Willowdale): Mr. Speaker, with all due respect to the finance minister's prognostications, we know how wrong his forecasting has been in the past.

The legacy of this government as it leaves office is a $30 billion high-tech trade deficit, a fall from fourth to eleventh place in our ability to compete, 16 per cent of our manufacturing jobs lost in the last four years and 11 per cent unemployment, the highest in the G-7. This is the Tory economic legacy.

Why did the government not use last Monday's budget, its last chance, to introduce a comprehensive economic strategy, a means to get rid of the deindustrialization of Canada and get Canadians back to work?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I disagree fundamentally with the hon. member. He knows that we have had the second best productivity rate in the G-7. That is showing up in our ability to compete and our ability to achieve exports and that does create jobs. Our exports to the United States have increased by over 21 per cent which is the highest in history.

Here is the legacy: Let us look at Canada's industrial production over the last three months compared to other countries and I know the hon. member will really take this into consideration. This shows the trend. Canada's industrial production is growing at the rate of 4.3 per cent, the U.S. at 4.1 per cent, Japan at minus 5.3 per cent, Germany at minus 11.2 per cent, France at minus 3.7 per cent, U.K. at 1.7 per cent, and Italy at minus 2.9 per cent. I can say that I am proud of that legacy.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE

GOVERNMENT RESPONSE TO 17TH REPORT OF STANDING COMMITTEE

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, the government's response to the 17th Report of the Standing Committee on Finance, the first report of the Subcommittee on Regulations and Competitiveness.

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TRANSPORT SAFETY BOARD

TABLING OF ANNUAL REPORT

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Privy Council and Minister responsible for Constitutional Affairs): Madam Speaker, pursuant to Standing Order 32(2) and on behalf of the President of the Queen's Privy Council for Canada it is a pleasure to table, in both official languages, the annual report of the

Transportation Safety Board of Canada for the fiscal year ended March 31, 1993.

Pursuant to Standing Order 32(5), this report is deemed permanently referred to the Standing Committee on Transport.

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

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GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 27 petitions.

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

* * *

• (1505)

[*English*]

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

MEASURE TO AMEND

Mr. Pat Nowlan (Annapolis Valley—Hants) moved for leave to introduce Bill C-425, an act to amend the Members of Parliament Retiring Allowances Act.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Nowlan: Madam Speaker, this bill is one in which there is some duplication with some other bills of members on the whole question that irritates the public more than any other one thing about members of Parliament both in the national House and in many provincial houses. It concerns our pensions.

This bill would amend the pensions act to make sure the vesting no longer occurs after six years but at 60 years of age, six years is rather obscene, and eliminate the double-dipping provisions of members obtaining a pension and a government pay cheque in other forms. This is also very irresponsible.

I think, knowing full well that this bill may not pass before this House is dissolved, that more members who can focus attention on this will have to be accountable with the electorate in the election and make sure that in the new House this bill can be revived and changed in conformity to the public interest in something that is so sensitive and so wrong at the present time.

Madam Deputy Speaker: Mr. Nowlan moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

Mr. Mac Harb (Ottawa Centre) moved for leave to introduce Bill C-426, an act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-secondary Education and Health Contributions Act.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Harb: Madam Speaker, the purpose of this bill is to ensure that there is a standard school leaving age across Canada and the federal money that is contributed to the provinces for post-secondary education is used solely for that purpose.

The reason for this is because a lot of the money that the federal government gives to the provinces for education is not being used by the provinces for education but for something else.

As well, the standard school leaving age across Canada varies from one province to the next. Therefore this bill will have a uniform standard school leaving age. It will also ensure that money given to the provinces for education is used for education.

Madam Deputy Speaker: Mr. Harb moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

Routine Proceedings

INCOME TAX ACT

MEASURE TO AMEND

Mr. Ronald J. Duhamel (St. Boniface) moved for leave to introduce Bill C-427, an act to amend the Income Tax Act (public safety occupations).

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Duhamel: Madam Speaker, this bill would permit registration of the pension plan allowing nurses early retirement on the same basis as is currently permitted for public safety employees. Early retirement would be available as early as age 55, for 25 years' service, a combination of age and service totalling 75 or total and permanent disability.

Currently the early retirement rights of public safety employees are governed by the income tax regulations and cover fire-fighters, police officers, corrections officers, air traffic controllers and commercial airline pilots.

• (1510)

This bill places the right to early retirement in the Income Tax Act and adds nurses. The amendment would be effective for 1993. It seems to me that the demands being made on nurses in today's society warrant such consideration. Income security is important, not only to them but to all Canadians and we have the responsibility to provide it.

Madam Deputy Speaker: Mr. Duhamel moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

[*Translation*]

HOUSE MANAGEMENT

CONCURRENCE IN 83RD REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, you will recall that the week before the Easter recess of the House, I had the pleasure, on behalf of the Committee on House Management, to table the 83rd report of the Committee on House Management, which deals with parliamentary reform.

The time has come, after consultation with the other parties, for concurrence in this report.

[*English*]

Today I would like to move that the House of Commons concur in the 83rd report of the House Management committee, a report dealing with parliamentary reform.

Mr. Dingwall: Madam Speaker, I just want to understand this correctly.

The parliamentary secretary made reference to the 83rd report but I believe it has to do with the broadcasting of various standing committees of the House of Commons. I do not believe it refers to the subject matter of parliamentary reform which is for another document.

If I am in error I hope the parliamentary secretary will correct me. If I am not in error I hope he will do the honourable thing.

Mr. Langlois: Madam Speaker, I am sorry, the 83rd report of the House Management committee deals with broadcasting.

Madam Deputy Speaker: Does the hon. parliamentary secretary have unanimous consent to present the motion?

Some hon. members: Agreed.

Madam Deputy Speaker: The House has heard the terms of the motion. Is the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

PETITIONS

HOSPITAL AND MEDICAL CARE

Mr. Mac Harb (Ottawa Centre): Madam Speaker, this petition is signed by many of the senior citizens who live in my riding of Ottawa Centre.

They call on Parliament to take all the necessary measures to enshrine in the Constitution the obligation of the government to provide universal, publicly-funded hospital and medicare to all citizens.

TRADE

Mr. Ross Harvey (Edmonton East): Madam Speaker, I have the honour to present a petition signed by several residents of the province of Alberta, most of whom reside in Edmonton.

They argue that the current Canada-U.S. Free Trade Agreement sharply reduces the power of all Canadian governments to develop the Canadian economy. They argue that more than 400,000 Canadian manufacturing jobs have been lost since the FTA became law in 1989 and that if implemented the North American free trade agreement will cause even more Canadian jobs to be lost.

They call on the House to reject the proposed North American free trade agreement and recommend to the government that it use the FTA's termination clause to end the Canada-U.S. Free Trade Agreement.

CANADA LABOUR CODE

Mr. George Proud (Hillsborough): Madam Speaker, I rise, pursuant to Standing Order 36, to present a petition on behalf of many Canadians who call on Parliament to amend the Canada Labour Code to prohibit the use of replacement workers by employers during a strike or lockout in federal jurisdictions.

SERIAL KILLER BOARD GAME

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, I too rise under the provisions of Standing Order 36 to present a petition from 27 very conscientious and serious citizens of my hometown of Wolfville, Nova Scotia in regard to outlawing the serial killer board game which I know has come up in this House before.

Quite frankly I think it is appropriate because of the repugnance of this game to read the first whereas of this petition. The petition reads: Whereas the parents and grandparents seek a ban of a new game to be introduced in Canada called the serial killer board game; whereas this game comes with a body bag, 25 babies and four serial killer figures, the object of which is to commit murder and the person with the highest body count being the winner. The petitioners further state that this game is not in the best interest of children and in the wrong hands could become dangerous and they suggest it could easily impress young people.

• (1515)

Therefore my petitioners humbly pray, as I think all members in this House agree, that this type of obscenity should not be allowed in Canada. I hope the government continues to proceed to ban it.

VETERANS AFFAIRS

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, pursuant to Standing Order 36, I have the privilege of presenting to Parliament the signatures of hundreds of Greek Canadian citizens from my riding.

The petition states that the Government of Canada has decided to amend the Canadian war veterans act so that effective March 2, 1992 persons are no longer eligible for benefits under the war veterans allowance program based on resistance service only.

Therefore the petitioners humbly pray and call upon Parliament to accept legislation designed to rescind the above mentioned amendment in order to stop the discrimination between Canadian veterans of the resistance movements and veterans of the formal military capacity since all were fighters against the enemy of Canada, stop the discrimination between Canadian citizens who should all have equal rights in terms of where they live and receive their rightful benefits and deal in a humane manner with senior citizens who after many years of work and service to Canada are now forced to again move back under often very difficult conditions.

TRADE

Mr. Vic Althouse (Mackenzie): Madam Speaker, I have a petition from constituents in the Wynyard—Quill Lake area who point out that if the North American free trade agreement is put in place the agreement will cause Canadians to lose more good jobs. They point out that it places restrictions on the ability of future federal, provincial and territorial governments to assist Canadian industry, conserve natural resources for Canadian benefit, and advance needed social programs.

They therefore call upon the House to reject the proposed North American free trade agreement and to recommend to the government that it use the termina-

tion clause to end the Canada–U.S. Free Trade Agreement.

ABORIGINAL AFFAIRS

Mr. Doug Fee (Red Deer): Madam Speaker, I have two sets of petitions. Over 2,000 people signed the first one which recognizes that treaty rights entitle Indians to preserve their traditional way of life, including hunting, fishing and gathering, but express concern that completely unregulated hunting interferes with good conservation and sound wildlife management.

They call upon the government to conclude an agreement with Canada's treaty Indians regarding sound wildlife management, including a restriction on native rights to hunt, fish and gather for personal consumption needs and a prohibition on the sale for profit of wildlife meat or parts obtained by treaty rights.

SEXUALITY INFORMATION RESOURCE CLEARING HOUSE

Mr. Doug Fee (Red Deer): Mr. Speaker, I have a second petition signed by a number of people from central Alberta who are expressing their concern that Planned Parenthood is asking for government funding for a project known as sexuality information resource clearing house, the funds for which would come from the tax money of the citizens of Canada.

They are expressing concern that this is an unnecessary duplication of services already provided, and call upon Parliament to withhold all financial support for the Planned Parenthood project.

[*Translation*]

REQUEST FOR ELIMINATION OF VIOLENCE IN OUR SOCIETY

Mr. Guy Saint–Julien (Abitibi): Madam Speaker, I would like to table a petition from the golden age club of Dubuisson in Abitibi, which says that violent movies on television are dangerous and therefore unacceptable, because they incite more violence.

The petition says that all toys which incite violent games are unacceptable and should not be made. Also, freedom of the press in reporting acts of violence should be limited and information on violent acts which is repeated too often on all television networks and on radio can incite others to commit the same acts of violence.

Therefore these petitioners humbly ask Parliament to legislate on the above points, in order to eliminate violence in our society so as to better protect our children and give all our fellow citizens a better quality of life.

[*English*]

CANADA POST

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, pursuant to Standing Order 36, I have the honour to present additional petitions from residents living on Bloor Street, High Park Avenue, Pacific, Quebec Avenue, Oakmount, Mountview, Pinecrest, Glenlake, Gothic, Glenavon and other nearby streets who state that they are very satisfied with the service and location of sub–post office No. 166 located in the High Park Pharmacy.

The petitioners humbly pray and call upon this Parliament to urge the government to keep post office No. 166 located in the High Park Pharmacy operating in its present location and with its present service.

• (1520)

VIOLENCE

Mr. Alex Kindy (Calgary Northeast): Madam Speaker, I have the honour to present a petition pursuant to Standing Order 36 with 20,000 signatures which is part of a total of 50,000 in memory of all children who have suffered at the hands of others.

We have formed this petition to stress our beliefs that the penalties in respect to child molesters and child murderers are far too lenient in this country. We strongly request that this petition be heard as a people's vote to reinstate capital punishment for child murderers and to stiffen penalties for child molesters.

If we do not protect our children from the people who commit these heinous crimes, who will? Your petitioners call upon Parliament to enact legislation against these types of offenders. I support this type of petition.

[*Translation*]

SENIORS

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I have the honour to present a petition. The signers of this petition say that pension indexing in no way meets the financial needs of seniors.

They also point out that general indexing, even with the supplement, is insufficient. The petitioners mention as well that poverty is increasing rapidly among the elderly, many of whom live at or below the poverty line. In closing, they add that these seniors are experiencing serious income problems.

[*English*]

TELECOMMUNICATIONS

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I have another petition from people in Manitoba.

The petitioners ask Parliament to ensure that appropriate language is used on radio and television. They also condemn violence that is used on radio and television. They point out that violence is not necessary to inform or entertain in English, French or any other language. They say it goes against some of the principles they use to raise their families.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, the following questions will be answered today: Nos. 320 and 448.

[*Text*]

Question No. 320—**Mr. Gardiner:**

With respect to the television ads relating to the report of the Special Joint Committee on a Renewed Canada, (a) which department or agency assumed the costs (b) what were the costs of production and placement (c) what persons or companies received contracts for these ads and what were the dates and amounts of these contracts?

Hon. Paul Dick (Minister of Supply and Services): The television ads for the special joint committee are budgeted for under the Department of Supply and Services Canada. This was done on behalf of the cabinet committee on communications in support of communications requirements of the Federal-Provincial Relations Office. Advertising expenditures were $3,335,869.18 and the advertising firm was Publitel.

Due to the time of year, the contract was divided over two fiscal years: 1991-92, $970,582.00; 1992-93, $2,365,287.18

Question No. 448—**Mr. Manley:**

For 1991 and 1992, how much has the federal government spent on city core revitalization and how were these funds allocated?

Hon. Elmer MacKay (Minister of Public Works): Public Works Canada (PWC) manages a number of properties located in city core areas. Those buildings, as they grow older, often require important renovations in order to respect increasingly stringent health and safety standards. Such renovations do not show up in the numbers related to city core revitalization projects.

Public Works Canada manages a major capital project program under parliamentary vote 15—real property program capital expenditures.

This vote involves the construction of new federal buildings and the renovation or redevelopment of existing federal buildings. Some of these projects are located in city core areas. The Pacific-Western regions of PWC had three such projects and there were two in the Quebec region, as follows:

Victoria—Custom House (816 Government Street)—Renovations

This project, at a total cost of $4.4 million, involved the conversion of a portion of the lower two floors from government office space to commercial retail and the installation of a new heritage exterior facade on the 1957 addition. The project was undertaken on the urging of the city of Victoria and the downtown business community to contribute to the revitalization of Government Street and the inner harbour/Empress Hotel/provincial legislative precinct. The project was substantially complete in the spring of 1992 with capital expenditures of $2.5 million in 1991-92 fiscal year.

Whitehorse—"Elijah Smith" Federal Building (308 Main Street)—Redevelopment

This $24.7 million project involved the phased demolition of the old federal building and the construction of a new Government of Canada office building. The Elijah Smith building is a four-storey, 9,500 rentable square metre office building occupying an entire city block on

Main Street. The project was substantially complete in the spring of 1992 with capital expenditures of $10.8 million in 1991-92 fiscal year.

Winnipeg—MacDonald Building (344 Edmonton Street)—Renovations

This project, at a cost of approximately $6 million, involved a major upgrading of all floors of the building to give it an economic life of 25 years. The project was completed in 1992 with capital expenditures of $2 million in 1991-92 fiscal year.

Chicoutimi—Old Port of Chicoutimi

1991—$186,850—fitting up of cycling track, surveys and other legal conveyancing documents, soil decontamination, river bank management

1992—$97,959—fitting up of cycling track, surveys and other legal conveyancing documents, soil decontamination, river bank management

Trois-Rivières—Old Port of Trois-Rivières

1991—$369,265—reimbursement to the city for operating and maintenance costs for the previous calendar year

1992—$424,576—reimbursement to the city for operating and maintenance costs for the previous calendar year

The following two projects were carried out under parliamentary vote 20—crown corporations program:

Montréal—Old Port of Montréal

1990/91—$14,363,000—operating and capital expenses

1991/92—$42,232,612—operating and capital expenses

1992/93—$13,457,000—operating and capital expenses (Apr.—Dec.)

Toronto—Harbourfront

1990/91—$3,648,932—operating and capital expenses

1990/91—$3,700,000—loans to cover capital asset expenses

1991/92—$11,000,000

1992/93—$8,200,000
(Apr.—Dec.)

Toronto Harbourfront was the only project done in conjunction with a city/region.

[*Translation*]

Madam Deputy Speaker: The questions as enumerated by the parliamentary secretary have been answered.

Mr. Langlois: I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Deputy Speaker: Shall the questions remaining stand?

Some hon. members: Agreed.

MOTIONS FOR PAPERS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, I ask that all Notices of Motions for the Production of papers be allowed to stand.

Madam Deputy Speaker: Shall all notices of motions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, April 27, consideration of the motion of Mr. Mazankowski that this House approves in general the budgetary policy of the government; and the amendment of Mr. Gray (Windsor West) (p.18487); and the amendment to the amendment of Mr. Langdon (p.18534).

Madam Deputy Speaker: When the House rose yesterday, there were two minutes left for the hon. member for Carleton—Charlotte. After that we will proceed with questions and comments.

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, I will continue where I left off yesterday and will conclude by saying that the Canadian economy is moving along well.

It is probably not moving as fast as we would like but as I indicated yesterday, most economic think tanks and the International Monetary Fund have predicted that Canada's economy will outpace those of all other industrialized countries in the next couple of years.

There are a number of reasons for that and not just the major ones that were introduced two days ago by the Minister of Finance. It simply builds upon the consistent

sound fundamental management of the economy by the government since 1984.

It also builds upon our economic statement last December in this House. As evidence of that we have had a tremendous turnaround in the economy. In fact as the minister noted in the House today, 200,000 jobs have been created in Canada since August of last year and 48,000 new jobs were created last month alone.

In addition to that, we can go back to the heart of many of these budgets introduced. In fact 148,000 Canadians took advantage of the housing program announced a year ago regarding the use of RRSP contributions toward the construction of a new home. That is one indication of what we have done on this side of the House in recent months. There is the reduction in personal income tax and changes to the Small Businesses Loans Act.

• (1525)

Those things are all adding to the base that we set in 1984. I am quite proud of that record. I will entertain questions and comments from the other side of the House.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, once again I find myself having a difference with the member for Carleton—Charlotte. This has been a repeated exercise over many months. I must tell him that I have a lot of respect for the member when he talks about this approach to the fundamentals being in place. I understand where he is coming from. I recognize the lower interest rates and I recognize practically no inflation in this country. However, in our communities now because of this obsession with zero inflation we have between the welfare rolls and the unemployment rolls well over three million people out of work.

We agreed on both sides of the House in the last four months that the key to creating new jobs really did lie with the small business sector. All parties put the Small Businesses Loans Act through the House. I am sure that Canadians have heard more about the Small Businesses Loans Act in the last 90 days than they had in the previous 15 years.

The problem I have with the government on the Small Businesses Loans Act is that it is not honouring the commitment it made in this House just two months ago. The Minister of State for Small Businesses and Tourism stood up in this House and said that he was going to have a promotional package so that the small business community would be aware that this particular instrument was out there for small businesses to use. That has not happened.

I know that Scotiabank has taken out some ads in the paper and I commend Scotiabank for that. I commend the Bank of Montreal for coming in at one point under prime for loans under $100,000.

Does the member not really believe that this recovery cannot happen unless the banks are aggressively promoting and utilizing the Small Businesses Loans Act? If the member does believe that is necessary then what will he and his government do to make sure that happens?

Mr. Thompson: Madam Speaker, there is no question that small business is the backbone of the Canadian economy. That is where most jobs occur. The biggest single employer is the small business sector.

We have done many things on this side of the House as a government and with the support of some members opposite in that regard. Of course, the changes to the Small Businesses Loans Act to which the member refers is an example of that.

I did in fact put that question to the minister responsible for small businesses, as the member acknowledges, not too long ago in this House because that has always been a concern of mine. We do what is necessary in this House but we expect co-operation from those lending institutions outside of this House to really make it happen on the street. I acknowledge that that has not happened in previous years up until these changes to the Small Businesses Loans Act.

There are provisions within the Small Businesses Loans Act that make it more lucrative for the banks to become involved with small business. There is an indication that is happening but rest assured—and I will say this to the member from Broadview—Greenwood as well—I will continue to press the minister to make sure it does happen.

I know the Minister of Finance was a small business owner at one time and is very sensitive in this regard. I am going to continue to hold the banks' feet to the fire and make sure it does respond to legislation brought into this House because it is very important.

• (1530)

There are many small businesses out there that are cash starved. They are not asking government to do anything for them. They are simply asking the banks to respond in a positive way and I hope they will. Rest assured I am going to do my best to make sure they do.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I want to ask my colleague two questions.

He indicated there has been some management on the part of the government and the basics are in place. How can he say that, and I do not say it unkindly, when right now well over 1.6 million Canadians are without work and 2.7 million Canadians are receiving social assistance? Over two million Canadians will be fed at food banks, the deficit is well in excess of $30 billion and the debt has surpassed $450 billion when it was less than $200 billion when this government came into power.

My province of Manitoba has taken five major hits. Regional development has been cut and there have been cuts to VIA Rail and CBC again and again. Mining and forestry agreements are no longer going to be in operation. There will be jobs lost in all of these areas.

How can people have hope? How can people from Manitoba and other regions think that this particular budget will help sustain what we have now and make it grow? I just do not see it.

Mr. Thompson: Madam Speaker, I hope I have time for my response.

There is no question, as I mentioned yesterday in my speech, that 1.5 million Canadians are unemployed. None of us can take any satisfaction from that no matter which side of the House we sit on.

The point is that the Canadian economy is moving in the right direction. As evidence of that let us take a look at some of the numbers. I quoted the numbers in regard to the IMF and the predicted growth within the Canadian economy, sustained growth over the last number of years and the projections they are putting forward for next year and the year after. That is all encouraging but I go back to some of the numbers on which we can hang our hats.

For example our exports last year were at an all-time record high of $157 billion. What does that do? It translates into jobs. As I articulated earlier, 200,000 jobs have been created since last August and 48,000 jobs were created last month alone. That is an improvement. The difficulty is that when the economy is moving along the impact of the growth will not be felt this afternoon or next week. It takes time.

Obviously the fundamentals have to be put in place so that movement continues and we have done that. I think we have to emphasize that because all of us would like to pick up the magic wand, wave it and cause unemployment to cease but that is not the way it is.

I go back to the heart of the matter. The fundamentals are in place and I think that is what the member has to take a very hard look at.

With regard to the situation in Manitoba and all the provinces, the transfers to the provinces, particularly the poorer provinces and we include Manitoba in that, have not been touched. For example the transfers to the province of Manitoba and my own home province of New Brunswick have not been touched and they will actually increase beyond increases in other sectors.

In fact the finance minister in the province of New Brunswick was very positive in his response to the budget introduced two days ago.

• (1535)

He said: "Listen, how can I criticize the federal government because we do have a cash crunch in this country. We do have some problems but the transfers to our province of New Brunswick are increasing as they will to Manitoba". We recognize that those provinces depend on those transfer dollars.

We are being criticized in some quarters for not having cut back on those transfer dollars but coming from one of the poorer provinces, I would say the government did the right thing in that regard.

For example, the province of New Brunswick depends on direct cash transfers from the Government of Canada for 40 per cent of its revenues. Those have been left intact and this year will amount to approximately $1.5 billion. The government can take some encouragement from that.

Hon. Lorne Nystrom (Yorkton—Melville): Madam Speaker, I want to say a few words about this non-event that is called the budget.

I have seen a number of budgets in my day in the House of Commons and I cannot recall a budget that has been such a non-event, non-existent one composed of smoke and mirrors as the budget we have before us today.

There is scarcely a budget in this country either federally or provincially that does not have a tax change, that does not have a program change, that does not have some new initiative. Yet we have a budget here that accomplishes basically very little.

It is really a continuation of the same statement we had last year in the December economic statement. Of course, as a result of the budget, nobody is happy.

I am not happy because it does not tackle the big problem of job creation in this country. It also makes things more difficult for the farmers in the prairies, particularly in Saskatchewan. Even the friends of the government are not happy. The business community and the investment community are not happy with the government.

A bond rating company in Montreal lowered the credit rating of the Government of Canada yesterday from an AAA rating to an AA rating. I think that may be the lowest credit rating the federal government has had in history. An AA rating is very low for the federal government of this country.

The Canadian dollar went down as a result of that. The minister across the way knows that the Canadian dollar value went down. Yesterday the Bank of Canada boosted the central bank rate significantly to try to prop up the Canadian dollar. We have already had short-term immediate consequences of this budget presented by the government across the way.

There is no vision in the budget. There is no plan. There is no direction as to where this government wants to go. Despite nine years in office, 11 per cent of the Canadian people are unemployed. Another huge percentage is on welfare, working part-time, has dropped out or is underemployed.

The Canadian Council of Bishops said two weeks ago that over three million Canadians are either unemployed or underemployed in this country. What a shame for the wealthiest country in the industrialized world to have such human waste and human devastation.

We have had nine long lean years of the Conservative Party and yet 11 per cent of our people are unemployed and over one million people are on welfare.

Let me talk about the deficit. That is like putting the skunk in the hen house. The Conservative Party talks about the deficit but what has happened to the deficit in this country? This year it is still going to be over $32 billion. Last year it was about $35 billion. In 1984 when this Prime Minister came to office the debt was about $160 billion. This year it is going to be $458 billion.

It has gone from $160 billion to $458 billion and that comes from a Conservative Party that says: "Look, keep electing us and we will control the debt and the deficit in this country". Now the leadership candidates, in particular the Minister of the Environment and the former Minister of Justice, are going around this country saying: "Look, we have some ideas on how to control the deficit and eliminate it in three years".

That is like the chicken voting for Colonel Sanders. If they have these ideas about how to get rid of the debt and the deficit, why did they not say something when they were sitting in the cabinet for the last five years to eight years? They are misleading the people of this country as the Conservative Party has historically done. The Conservative Party has destroyed this country economically. It has driven people on to the unemployment rolls by driving up the interest rates. It brought in a GST which slowed down the Canadian economy, strangled small business and made more paper work and more bureaucracy for the small business community. It brought in a trade deal with the United States that has given away our sovereignty and that is now resulting in hundreds of thousands of people losing their jobs in Ontario in particular. This loss is not temporary like in the last recession but it is permanent this time.

• (1540)

Mr. Heap: Two-thirds of them.

Mr. Nystrom: Those jobs are moving south of the border to the United States and more recently they are starting to move south of that border into Mexico.

As my friend who is the member for Trinity—Spadina in Toronto says, about two-thirds of those lost jobs are lost permanently in the province of Ontario. It is because the government has given away too much. It has given

away the store and destroyed this country. It has destroyed this country economically and is destroying many of the other institutions that we have in this country as well.

An hon. member: It calls it economic management.

Mr. Nystrom: It gave cutbacks to CBC, VIA Rail, and the post office system. There is the destruction of rural post offices. In fact even in my small city of Yorkton with about 18,000 people, by no means a small town or a village, we lost our post office two years ago because of this government.

The government is destroying the very institutions of this country that bind us together east and west with the trade deal with the United States. Now of course we have NAFTA, which is the North American free trade agreement with Mexico and the United States.

Even the President of the United States is not happy with NAFTA. He wants to negotiate side agreements and parallel agreements. Yet we have a government now that is trying to force NAFTA through the House of Commons, dissolve this country even more in terms of north and south and to play the tune once again of large multinational corporations.

That is not good enough. Regardless of who wins the Conservative Party leadership in about six weeks, the Canadian people will know that a Conservative is a Conservative is a Conservative and this is the kind of economic policy that has been set by this government for the last nine years.

In this budget, even though it did not change very much, there were a few changes that are going to hurt ordinary people. The GST for example now has a tax credit that is paid out to the poorest Canadians four times a year. I know people in my riding who get that cheque every three months. So what is this government going to do? Instead of paying it out every four months, it is now going to pay it out every six months to the poor people. This will make it more difficult for the poor to provide for the needs of their children: food, shelter, clothing and their own lives. By doing that the government is going to save $7.5 million.

If the Prime Minister would cancel his fancy farewell tour to Europe we would probably save about $1 million. That would be more significant than stopping the payment of those cheques every three months to the poor people so that they have some money on a regular basis to feed their families.

It is $7.5 million a year. That is important but in the over-all budget it is a very small drop in the puddle. It is a very small drop and it helps ordinary people when they need it the most. These ordinary people are going to spend that money right away. They are going to pay some of it back in taxes. They are going to stimulate the economy by buying goods and services.

Second, another change in the budget, perhaps most significant of all, is the change to the Crow benefit for prairie farmers. I think that is probably one of the only, if not the only, announcement of a legislative initiative in the budget. Look at page 53. The government says that it is going to cut back the Crow benefit by another 10 per cent. The Crow benefit was an agreement signed by the federal government to last in perpetuity to provide $720 million a year for the farmers to pay the railways to subsidize the movement of grain.

A year ago the federal government decided to cut it back by 10 per cent, some $72 million, unilaterally. That is not co-operative federalism. That is not going out and saying to the provinces and the farmers of this country: "We want your input and involvement before we make an important decision". That is the Minister of Finance reaching into farmers' pockets in my riding and in ridings across the prairies and taking out $72 million.

Now the government is saying that in the next fiscal year it is going to increase it. It is not just a 10 per cent cutback but a 15 per cent cutback. The year after that there will be a 20 per cent cutback and that will go on in perpetuity. A 20 per cent cutback is over $140 million a year. This is unless the federal government negotiates an agreement with the provinces and the farmers to change the method of payment from the railways to the farmers. If the money goes directly to the farmers then there goes the grain subsidy. There goes some orderly transportation in this country.

• (1545)

The wheat pools in the prairies have said to keep the money going to the railways. The National Farmers' Union has said the same thing. The Saskatchewan government has said the same thing. The people of my province have said the same thing. Yet the government across the way wants to change the method of payment to satisfy some of their wealthy friends, particularly the

large grain growers of southern Alberta and the cattle producers of the prairies.

That is nothing short of blackmail by the federal government and nothing short of a bribe. It is saying to the prairie farmers that if they do not agree to the change in the method of payment then another 10 per cent will be cut off the Crow benefit and they will lose another $72 million a year.

That is not good enough at all. We want to build a strong country and create jobs for our farmers and our people right across the country.

There is a third part that I want to mention about the budget in terms of some of the changes that are not really seen as that significant overall but in terms of people who are affected directly this is extremely important in addition to the GST and the Crow benefit. It is the announcement of further cutbacks in regional development.

My guess by looking at page 53 of the budget is that the cutback in regional development is going to amount to approximately $500 million a year. Maybe we should cut back on some things. We have a deficit problem. Why not cut back on military helicopters and save $5.8 billion rather than cut regional development in New Brunswick and Saskatchewan and northern Quebec and save—

Mr. O'Kurley: That is over 14 years. What are you talking about?

Mr. Nystrom: I did not say for a year for military helicopters. Please listen.

Why not cut back by $5.8 billion on military helicopters instead of cutting back by $500 million per year on regional development? If one comes from Atlantic Canada, northern Quebec, northern Ontario, parts of the prairies or B.C. one realizes how important it is to have money going into regional development.

The unemployment rate in Newfoundland and New Brunswick is criminally high. Yet the government is now saying we should take $500 million a year out of regional development so it can spend that money on military helicopters that we do not need.

It is a question of priorities. Sure we have a fiscal problem and a deficit. We have a debt that is the highest of the G–7 nations. It is a matter of priorities. Take the money away from military helicopters. Bring in a fair tax system so the rich pay their fair share and so corporations pay their fair share. Plug some of the loopholes in the tax system. Get rid of capital gains exemption of $100,000 except for farmers and people with their principal homes. It will then raise more money and there will be more revenue for people to spend. If we have more revenue we will tackle the debt problem. If we have more revenue we will save our social programs.

Finally the most important thing of all is a jobs plan. We are one of the few countries in the world that does not have a jobs plan. If one looks at Europe, Japan and the new administration in the United States they are talking about how to put people back to work and how to create more wealth and how to actually get people producing something and paying taxes for the benefit of the country and society.

The only way to reduce the debt in a real and meaningful way is to create jobs so that people are off welfare and unemployment insurance and are contributing taxes to the government of Canada and taxes to the provinces.

If we put another half a million people to work the debt will go down. We will have more cash for the social programs and the other programs that are so desperately needed.

Our party said about two months ago that we had a plan and strategy for full employment. It was announced by our leader. It is a plan that would see our country investing more money in research and development. We are among the worst in the industrialized world in terms of the mere pittance we put into research and development today. We are also among the worst in terms of the money we spend in training our workers for the new challenges that lie ahead.

There are a lot of areas in this country where we could be investing money in terms of infrastructure. There are a number of things we could also be doing well, things that are natural for our country to do well if we spent more money on them.

• (1550)

We could be investing in things like transportation, communications, agriculture, mining, forestry, resources of that sort and investing more in the environment, an issue that is becoming more and more important every day. We could put more money into social housing, co-op housing and things of that sort. These are things that should be done but are not done by the government across the way.

If we are to solve the debt problem, if we are to get rid of some of the human misery we see today, we are going to have to put every single ounce of our energy into a national job strategy that involves not just the federal government but the provinces and the territories, the trade unions, the farm sector and the private business sector as well.

There should be an assault on unemployment and poverty like the assault we had during the Second World War. If we were able to mobilize our resources for combat in the First World War, the Second World War or other wars throughout history, surely to goodness we can mobilize this country's resources to fight unemployment and put people back to work. This would give them some dignity and pride in their own lives and help them make a contribution to their own economy.

I do not have too many more minutes left but before I finish I would like to say that Saskatchewan is a prime example of what Conservatives have done to this country in the last eight or nine years. We are a province that is now losing people. We now have the highest unemployment we have ever had in the history of our province. It is up about 8 per cent or 9 per cent. We are a province in which more and more people are on welfare. More and more people are dropping out. They are disillusioned. We are a province now that is losing farmer after farmer each and every single day. We are losing our small towns and villages.

Despite that the federal government in the last few years has been cutting back every year, except this year, on transfers to the provinces in terms of health, education and equalization. It has cut back on the increase. It has cut back in my province by some $500 million over what it would have been if the formulas had not changed. These are the changes in the formula for equalization and the changes in the formula for transfers under the fiscal arrangements we have in this country.

We now have a province that is worse off than it was in the 1930s. For nine years we also had a Conservative government with Grant Devine as premier. The province when he took over in 1982 had a debt of some $3.5 billion. Nine years later, our debt is now about $15 billion, the highest per capita debt anywhere in this country, including Newfoundland and Labrador. Nine long, lean years of Conservative government and the debt goes from $3.5 billion to some $14 billion in the province of Saskatchewan.

Mr. O'Kurley: That's just not true. Talk about the operating surplus.

Mr. Nystrom: I invite the noisy member from the Conservative Party across the way to come to Saskatchewan and make some of those comments. He would be driven out of town.

We are now in a position where because of Conservative governments hospitals are being closed down, rural communities are being destroyed, the province is on the brink of bankruptcy. That is the Conservative legacy. A Conservative legacy is one where there is no vision, where there is no dream about what this country could be.

We need a change in this country. We need a change badly. We need a government that will put jobs first, a government that will put people first. We need a government that will rescind the trade deal to regain some of our sovereignty we have lost because of the free trade agreement with the United States. We need a government that will get rid of the GST and bring in a fair tax system based on the ability to pay.

These are things the Conservative Party has done to destroy this country. Another four years of the Conservative Party and I fear for the future of Canada.

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, it is quite amusing to listen to a member of the New Democratic Party speak of the difficulties in Saskatchewan.

Those members forget that their own party formed the Government of Saskatchewan. Who do you blame? When he is laying blame and pointing fingers in Saskatchewan I think he has to point fingers at his own party and his own premier. But let me take him up on some of the other points in his speech.

• (1555)

One of the things he mentioned was that this country would be a lot better off in terms of debt if we had half a million more people working. Well, if he would just watch the Canadian economy grow and if he looked at the statistics which are there for everyone to see, he would be quite pleased. Since August we have created 200,000 full-time jobs and last month alone there were 48,000 new jobs in Canada. So with that kind of a track record he will not have to wait too long to see an extra 500,000 people employed in Canada.

Sorting through what he has said and one must examine it very carefully, for example, the free trade agreement with the United States of America. In the last year alone for our trade component we have had $157 billion in exports, 80 per cent of which were exported to the United States. That is the largest total in the history of Canada. It is working very much in our favour.

If we want to see the Canadian economy grow, let us continue with what we are doing. Let us not throw out some of the policies that are working. We can always come under scrutiny on anything we do as a government, but examine the facts and examine them very carefully. Do not forget who is the premier of Saskatchewan.

Mr. Nystrom: Madam Speaker, I am very pleased that my friend across the way said not to forget who is the premier of Saskatchewan. The premier is Roy Romanow. He took over from Grant Devine, who in nine years drove the debt in our province up from $3.5 billion to $15 billion. That is without precedent anywhere in this country, including during the 1930s and the Great Depression. Nowhere in this country on a per capita basis, perhaps nowhere in North America, has a debt gone up as quickly as it did in Saskatchewan during the Conservative years of Grant Devine.

After 17 months of government Premier Roy Romanow has cut our deficit in half and he has done that without the help of the federal government. He has done that despite the fact that the rate of increase in transfers to the province has gone down, which has cost us over $500 million in the last year. He has done that despite the fact that the federal government across the way has promised time and time again a third line of defence to help prairie farmers, but yet has reneged on that promise, so that money is not there and many farmers are living in poverty.

No, I have not forgotten who is the premier of Saskatchewan. The premier of Saskatchewan is cleaning up the mess the Conservative Party left our province in over the last nine years, as had to be done a number of years ago after the 1930s. I say to my friend across the way that when the debt goes from $3.5 billion to $15 billion in nine years something is seriously wrong.

The people in my province will not vote Conservative again for at least another generation because of the legacy Grant Devine has left behind. There is no party in this House that has less credibility in the debt issue in Canada than the Conservative Party sitting across the way.

In the 1930s it was Prime Minister Bennett, a Conservative prime minister, who brought us the Great Depression and brought us debts right across this country. In the 1980s it was Prime Minister Brian Mulroney and Premier Grant Devine who did the same thing in this country and in my province. The people of my province will not forget.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, I appreciated listening to the comments of the member for Yorkton—Melville. He speaks very passionately about the province he represents, Saskatchewan, a province where we farmed for 22 years. We had to leave our family farm because it could not support a family of eight.

My son did the opposite. He got married and moved to Saskatoon, had a job, bought a home, had two children, and now finds himself unemployed. He is looking for another province to move to. When the hon. member says that Saskatchewan is a good example of what this government has done to this country, I know exactly what he is talking about.

He also mentioned that his party had an excellent jobs plan, as to how we can put people back to work. I am very interested in that. I think all Canadians are. The hon. member for Carleton—Charlotte keeps tossing out the figures of 200,000 jobs created since last August, 48,000 jobs over the year, et cetera. But he does not say what the net gain is in job creation. Big deal: if 200,000 jobs are created but 300,000 jobs lost, what has been accomplished? We are in a losing mode.

• (1600)

I know the premier of Saskatchewan and the premier of Ontario are trying to create jobs. We heard in Question Period today that the finance critic of the New Democratic Party is disagreeing with the approach taken by the premier of Ontario.

I am wondering in fairness, and I ask this question very seriously, whether he supports the approach the premier of Ontario is taking or does he support the finance critic and the approach his finance critic is taking?

Mr. Nystrom: Madam Speaker, the finance critic of our party speaks for himself and only for himself. He does not speak for our party caucus on this particular issue.

Premier Rae in Ontario is doing what he can do in a very difficult situation. He is in a situation now where if nothing was done the deficit of that province would be $17 billion. Premier Rae is now in the process of consulting public service unions which is the proper thing to do.

I am glad the member raised this point. There will certainly be difficulties in the province of Ontario when a lot of things have to be done that are not very easy and not very comfortable. At least in Ontario he is consulting the trade unions and the public sector trade unions in the province.

In Manitoba with Conservative Premier Gary Filmon there was no consultation whatsoever with the public sector when he decided to dock the public servants several days of work. In the province of Manitoba the workers are going to lose. There will be about 10 or 12 days without pay. It is a unilateral decision by the Conservative Party that the workers will have to take time off without pay in Manitoba.

They did not consult the public sector unions. They did not negotiate with them. They did not do anything at all with them in terms of a consultative process. All of a sudden they just announced it: "You take days off without pay".

That is not the way to run a country. At least in Ontario Bob Rae is sitting down with members of the public sector, negotiating with them and talking with them about the very serious problem facing the province of Ontario. He is doing the right thing. In principle I believe he is doing the right thing. I cannot comment on all the details in Ontario as I am not familiar with them.

I know in my own province of Saskatchewan that the premier has done a commendable job in a very difficult situation. The people of our province are behind the premier in terms of trying to get control of the economy once again. If we do not get control of our own economy, it is going to be run by the bankers and the international investment traders and we are going to have even less flexibility in terms of protecting our social programs and doing what we should be doing as Canadians.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, when our colleagues from the government side talk about the jobs that are created it seems to me they forget to talk about the jobs that have been eliminated. When they talk about job creation they forget to talk about the kinds of jobs. Are they long-term jobs? Are they well paying jobs? Are they part-time jobs that lead to nowhere.

I wonder if my colleague would care to share with us his insights on that particular point.

Mr. Nystrom: Madam Speaker, no government in the history of this country has lost as many jobs as the Conservative government across the way. There has been a tremendous job loss in this country since 1984, despite the fact that we had some pretty good economic times in the mid-1980s.

A lot of the jobs that are now being created are low paying part-time jobs. They are not unionized. There is no job security. There are no benefits for the workers. They are the lowest of the low in terms of jobs and in terms of providing some money for the worker and her family or the worker and his family.

We need an all-out attack on unemployment and on poverty. We need more money put into research and development, more money into training, and more strategic investment in the things we can do well as Canadians. Other countries around the world are doing it and there is no reason we cannot as well.

[*Translation*]

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, there are times when circumstances dictate a change in course for the ship of state. That is what we had to do in 1984. At that time, as everyone will remember, we were headed straight for the rocks.

At other times the course is maintained because only some minor adjustments are needed to continue to make progress. No one should be surprised that my colleague, the Minister of Finance, did exactly that in the budget which he tabled on Monday and which I support without reservation.

• (1605)

In the past eight years, our government did the right thing at the right time for our economic strength. We should not be surprised that not everyone was pleased with this. Some think that the budget should have provided more drastic spending reductions. Others think that their favourite program should have received more funding from the government or that we should have adopted the solution that they advocate.

The money market had certain expectations and some credit rating agencies had others.

[*English*]

Some wanted short-term solutions to immediate problems and others wanted nothing that was not directed to long-term gains. In each case it was the task of the Minister of Finance to find the balance and do the right thing for Canadians, and that is exactly what he did.

All the comments we have heard about last wills and testaments and the labelling of existing programs as instant job creation projects is the height of irresponsibility. It is easy to become a 10-second hero by delivering clever second guesses with the principal objective of getting attention from the camera and headline writers. Perhaps some people are impressed with those who complain of government spending in one breath and who present a long wish list for spending increases in the next.

It is like St. Augustine's famous prayer: "Lord give me chastity but not just yet". Those would-be finance ministers from whom we have heard need to understand that countries are strengthened by serious reflection and wisdom, not by loose tongues craving quick attention.

Fortunately the Minister of Finance has met the expectations of most Canadians by placing before the House a budget that is realistic, responsible, coherent, achievable and right on course.

[*Translation*]

I believe that Canadians got what they learned to expect from this government: effective policies and long-term strategies that attack problems at their roots in order to find lasting solutions.

All Canadians agree that governments at all levels must get their finances in order. Canadians therefore recognize that the Minister of Finance has presented them with a budget that will maintain the same direction for five more years, so that Canada will be quite ready for the next millennium, the 21st century.

In his December economic statement the Minister of Finance emphasized the importance this government attaches to reducing the deficit so that we can attain our objective, which is to lay the foundation for lasting economic growth. Canadians want an end to the deficit and the debt which are irresponsibly mortgaging our grandchildren's right to decide their own future for themselves. They want the deficit to be reduced the right way, by reducing spending not raising taxes. That is what the Minister of Finance did. They want public spending to be restricted, but not so much that the government can no longer do its job. That is why this government has increased the efficiency of the Civil Service since 1984.

In real terms—and very few Canadians, even in this House, seem to realize it—the cost of administering the federal government is less today than it was eight years ago, although our population has grown by 10 per cent.

• (1610)

It is thanks to this kind of management that we can cut more than $30 billion over the next five years in this budget and overspending will not endanger the country's future prosperity. Of course the budget must be seen in the light of the many other long-term initiatives taken by the government because they are all part of a complete mutually supporting package of measures to put Canada's economy in order.

The people opposite seem to tamper with the truth about the economy. I will remind them that our ability to maintain social programs, establish environmental enterprises, be responsible members of the international community and maintain prosperity depends on a solid economic base. If this base is neglected, as they always tend to do in their simplistic, one-dimensional, magical

proposals then none of these important objectives will be achieved.

Remember that since 1988 every budget cutting measure that we presented in this House was opposed by the opposition members of all parties. How can they get up with a straight face today and criticize the government which is trying to get public spending under control by presenting a proposal that will nearly eliminate the deficit in five years?

[*English*]

I resent some of the comments we hear. They talk about the unemployed. I feel deep compassion in my heart for people who are jobless. There is a recipe to help those people.

Mr. Kilgour: Oh, sure, we know all about your compassion. Tell us about your compassion.

Mr. Mills: You support the banks and the way they treat small businesses.

Mr. Valcourt: These people argue that it is by throwing more money at them. They would increase taxes. They would throw more money at them. They did that for a long while. They had 16 years of doing that. Program spending increased at the rate of 13.8 per cent a year on average. That is their record. That is their legacy. They have not changed. The proof they have not changed is that they have opposed every measure to cut expenditures in the country.

An hon. member: Like hell.

Mr. Valcourt: They have opposed them.

Mr. Harvard: What a disgusting performance.

Madam Deputy Speaker: I beg the hon. member's pardon. This was an unwarranted comment. It is the duty of the Chair to be able to hear what someone who has the floor says. When there is screaming in the House of Commons—

An hon. member: So was he.

Madam Deputy Speaker: —that would not be proper even in a back alley. It is totally inappropriate.

An hon. member: It is frustrating.

Madam Deputy Speaker: Yes, I can understand that it is frustrating for everyone on all sides of the House, but screaming is certainly not warranted at this time. The comment made by the hon. member from Edmonton was certainly not warranted either.

Mr. Valcourt: Madam Speaker, I was trying to say that as a government we did not choose to accept the suggestions of the opposition to inject additional new funds or to worsen the deficit. We definitely did not choose that route proposed by the Liberal Party and the New Democratic Party.

• (1615)

They may have succumbed to the temptation in past election years but we took the responsible course of action. It is my firm belief and that of my colleagues in this party, along with many Canadians, that creating jobs is the task of the private sector. No amount of government spending of tax dollars will equal the drive and productivity of small business in creating jobs.

We did what governments should do. We have created an environment conducive to job creation by reducing the deficit. This means less borrowing, lower interest rates and lower taxes. These are all conditions that stimulate economic activity leading to more important, satisfying jobs.

In my own area of responsibility we have taken the initiative to use unemployment insurance to provide new opportunities for workers. Understanding that we find ourselves facing relentless and strong competition in the changing, knowledge-based global economy we have moved to increase work force skills so that in the years ahead Canadians can enjoy long-term rewarding employment which contributes to the prosperity of Canada.

These are times in which we simultaneously see unemployment of workers in older sectors while employers in the new sectors complain they cannot find enough workers with the necessary skills. That is the reality out there. We hear that every day.

We have shifted funds from their traditional passive use as temporary income support to active measures which will make future income support less necessary. Based on recommendations of the Canadian Labour Force Development Board we have invested $2.21 billion to help over half a million unemployment insurance recipients to renovate their job skills for the labour market of tomorrow.

That is a 19 per cent increase over the 1992 expenditure and a 400 per cent increase over the 1990 expenditure. We have increased to $110 million funds for the

self-employment assistance option which helps qualified workers to become entrepreneurs running their own businesses.

For those UI recipients who wish to arrange for their own training support will be increased to $455 million this year.

[*Translation*]

As Minister of Employment and Immigration, as I was just saying, I know how tragic unemployment is. I am aware of the suffering the unemployed go through. Imagine a man, woman or a young person anywhere in the country who wants to work and is looking for a job and is qualified to hold a job but unfortunately, due to weak market conditions, is unable to get work. The measure announced in December pays special attention to these experienced workers who for years contributed to Canada's prosperity but suddenly lost their jobs as a result of technological change.

Some skilled people held the same job for 15 or 20 years but suddenly lost it because of technological change and then they do not have the skills needed for other work. We have allocated $300 million to help these people acquire the skills that will again enable them to be productive workers. In all, we have directed $3.8 billion to labour market programs that will affect more than a million workers. Canadians will appreciate that we are working on this with other interested parties. Federal government funding has acted as a catalyst to provide the appropriate infrastructure for employers, labour, community groups and provincial governments to implement economic initiatives commensurate with their own requirements.

• (1620)

Pooling all sectoral resources is the only way to proceed if we want to create a society in which all Canadians will have a chance to succeed, at any stage in their lives.

I have said repeatedly that we are investing in mechanisms to help workers quickly get back on their feet and develop their full potential. We do not want to provide lifetime safety nets that keep people in a state of dependency and make them lose all initiative. That was the result of the policies developed in the 1960s and 1970s.

We want to use our social programs to help people who have found effective solutions, who make the right choices and who are promising. I have to analyse this budget from the perspective of my department, but also from the perspective of the Atlantic region which I represent in Parliament.

In fact I can assure the House the Atlantic region has not been overlooked in this budget because in the past we in the Atlantic region have been through some difficult times, and we have always come out on top.

People in the Atlantic region have always been willing to shoulder their fair share of the burden and to adapt their expectations and institutions to meet new challenges. We knew that in the end we would be better prepared to meet the challenges of the future.

This year the federal government will spend $5.2 billion in the Atlantic region, or $2,250 per capita. I submit that the decision to exempt these transfer payments from spending cuts reflects the federal government's understanding of the fiscal problems in the Atlantic provinces due to the recession and economic restructuring.

Transfer payments to the provinces will continue to increase at a rate of 4 per cent annually, although all other government spending will be capped at 1.5 per cent, which is below the rate of inflation.

[*English*]

While this budget's proposals on the deficit are alone enough to earn its commendation it goes much further. It goes much further in advancing the government's long-term agenda. The finance minister has set a goal of zero cash requirements by 1997-98, at which time net new federal borrowing will be eliminated completely.

That is the way it was in Canada during our lifetimes before we got blown away by thinking that there is no day of reckoning. Once we have put ourselves back on course the government can then begin to pay down the debt which continues to sap our reserves.

Inflation has been beaten back. Interest rates are at a 20-year low. Exports are surging, as my colleague from Carleton—Charlotte pointed out earlier. Business has become increasingly competitive in Canada. Small businesses are doing much better. In both new and old marketplaces trade agreements are opening up more markets for quality Canadian goods and services.

For the first time in decades Canadians can now clearly see the solid foundation which we have been building and on which we all can successfully compete in a very different world than the one which existed before this restructuring started.

In this and other ways this government has not shirked from any opportunity to make positive adjustments to help Canada confront these new global realities.

We know some people in this country want to wish away the challenges but that is not what we have done. The issues that everyone else has been afraid to touch were put at the top of the public agenda by this government rather than hiding them away as others have done for fear of controversy.

• (1625)

We did not shy away from attacking the underlying causes of problems, even at the price of popularity as measured by fickle will-o'-the-wisp polls. We had faith that over the long run Canadian men and women would see that we have done the right thing. The budget the finance minister has tabled before this House is in that category of principled action.

[*Translation*]

I agree, there is not much to rejoice about in the budget. There may be nothing to rejoice about, but there is no reason for despair either. It is a firm budget. It is a realistic budget that indicate we have a long way to go. It makes no unreasonable demands but continues to deal gradually with the consequences of past excesses. It reflects the fact that Canadians understand there is no easy, quick solution to our problems, although there are still politicians proposing the so-called quick fix. This budget states the facts clearly and honestly.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I do not believe for one second that the Minister of Employment and Immigration is happy presiding over this nation's current condition of unemployment. Under his reign we have the highest rate of unemployment in the history of Canada. We have over three million people now looking for work in this country.

Whether it is 3.1 million or 3.2 million the bottom line is that we have a crisis of unemployment in this country. I believe the hon. minister wants to fix this problem as much as any other member in this House. He must want to fix it.

However I believe there is a very important point that the government is missing. As Liberals we stood up in this House of Commons over the last three months and supported the government's initiative called the Small Businesses Loans Act. We supported it, we did not criticize it. We worked together and came up with amendments. Last year I think it cost the Treasury $29 million from the float in write-offs to small businesses but if we take into account the benefits in employment measures it cannot be criticized. It is a good piece of legislation.

The problem is that the financial institutions of Canada, the banks, the credit unions and others that could be eligible to lend money under the Small Businesses Loans Act are not making that act work. So when we come to the floor of this House of Commons and try to bring attention to this problem but do not seem to get any reaction we get terribly frustrated.

My question to the minister is a very simple one: Is he satisfied with the way the financial institutions of this country, the banks and the credit unions, are treating small business? Is that why we hear nothing from the government in terms of chastising, pushing or motivating banks? Is he satisfied? If he is satisfied that is fine. It is a simple yes and I will sit down.

However if he is not satisfied, could he commit on behalf of his government, the small business community and the unemployed that he will take a message to the cabinet of Canada, the Prime Minister of Canada and the Minister of Finance and say: let us do something to move the financial institutions of this country to honour an act of Parliament that was passed by all parties in this House?

• (1630)

Mr. Valcourt: Madam Speaker, I do not know if this has ever occurred to the member concerning these financial institutions and banks but it is Canadians' savings that these financial institutions and banks are using to lend to small businesses. Maybe if they did not have such a good lender in the federal government there

would be more money available for small businesses. I am talking about interest rates here.

How can the hon. member stand up in this House and complain? I know the member and I think he is a good member for a Liberal. He is concerned about his *concitoyens* in this country and small business. He cares about the economic prospects of his constituents and other Canadians just as I do.

He must accept the fact that we have to pay for this deficit because we pay interest on that debt. We know what the impact of this is on interest rates. One does not have to be a rocket scientist to figure it out. If all the money required to finance government activities is used to pay interest on the deficit then it leaves much less in the coffer for those institutions to lend to the private sector and to small businesses and it drives the cost up.

We need a Small Businesses Loans Act to create incentives for those institutions to help the private sector and the small businesses grow.

How can they on the one hand want to have that capital accessible to the private sector and small business and at the same time in a consistent way oppose every measure proposed by this government to try to reduce and eliminate this deficit? How can they do that? How can they argue that we should have such an economic climate because he may want to rely on the Small Businesses Loans Act. I cannot wait for the day when we do not need the Small Businesses Loans Act and when the private sector and market forces will allow a business person in Canada with a good idea and product to go to the private sector market—a bank or financial institution—to get his or her loan. It makes sense to go ahead and succeed. That is what I would want.

However, before we get there we are going to have to pay our way as Canadians and that means we must stop borrowing to do everything we do every day.

We are now borrowing to pay the interest on the debt. When one gets to that point one has a serious problem. Now the Minister of Finance has put in the window a fiscal framework that sees Canada without a borrowing requirement of .9 per cent by the end of this fiscal framework.

I think if we want to help small business then it is by what the Minister of Finance has shown us.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, I suggest the minister change his speech writers. I suggest that the minister should come to my Toronto riding and walk with me to visit the seniors, the unemployed and the small businesses. Then he will write his speeches himself rather than come into this House and read what some bureaucrat has written for him.

He talks about how this government increased efficiency. Just last week my office was flooded with calls from seniors who are receiving Old Age Security, government income supplements and other assistance from the government. They were calling my office because they cannot get through to the government number. I had my staff in Ottawa and in Toronto phone this same number. It took over 100 calls to get through to this number. This is what this government calls efficiency. It is cutting back on the Public Service for the sake of efficiency and that is frustrating people out there. People are having mental breakdowns because of this government.

I called the number myself and finally got through. After listening to nine minutes of beautiful music I got to the right person. I investigated the problem. The problem is that this one telephone serves the catchment area of greater Toronto, Oakville, and a WATS line to Peterborough. It is a catchment area of four million people under one number. This is the government that preaches efficiency. He wonders why there are frustrations out there, why people want to commit suicide and why people are having mental breakdowns. I urge the minister to come out to my riding. I will show him what the efficiency of this government has done.

• (1635)

The minister mentioned employers who cannot find workers with appropriate skills. I would like the minister to table the employers who are looking for workers today so all members can have it. Yesterday I had appointments all day in my office and I was talking to people who are unemployed, exhausting their UI and do not want to go on welfare. They are frustrated.

In the Parkdale CEC, if someone wants to phone in and have an appointment for retraining it takes six

months before he or she gets an appointment. That efficiency means six months for an appointment. I would like to hear the minister's response.

Madam Deputy Speaker: There is one minute left.

Mr. Valcourt: Madam Speaker, If I have only one minute left then I will use the minute to point to all Canadians. It is too bad they are not all listening to that kind of statement because that is only proving one thing. The Liberal Party has not changed.

Mr. Mills: Point of order.

Madam Deputy Speaker: I am not deaf. The hon. member for Broadview—Greenwood on a point of order.

Mr. Mills: Madam Speaker, I apologize for raising my voice. I rise on a point of order and in the interest of trying to communicate our message. I share every syllable that the member for Parkdale—High Park has just uttered in terms of what is happening in the greater Toronto area.

Maybe in the interest of being constructive and looking out for those people we could get unanimous consent to extend the minister's time in answering questions seeing as we have him here.

Madam Deputy Speaker: Is there consent to add to the period of questions and comments with the minister?

Some hon. members: Agreed.

Madam Deputy Speaker: It is agreed for an extra five minutes. The hon. minister.

Mr. Valcourt: Madam Speaker, I was trying to make a point. In a serious debate about the economic future and the budget the hon. member stands up and talks about a phone line in his riding. I am not diminishing the importance for seniors accessing a phone line to get some information from the Government of Canada. I guess the way he put it was as if we had a really long cabinet session. You should have been there, Madam Speaker. The cabinet sat there. We spent almost two hours trying to decide whether it would be one line or two in that part of Ontario.

They are trivializing the debate by not pointing to the fundamentals of the economy.

Mr. Mills: I cannot believe it.

Mr. Valcourt: This is about trying to set the fiscal framework and the finances of the taxpayers of Canada on a course where Canadian taxpayers are going to get value for their money from government services.

Ms. Blondin-Andrew: Why did you not do it when you took over in 1984?

Mr. Mills: Talk about your tax increases.

Mr. Valcourt: The people who are yelling are the Liberals who were spending $1.23 out of every dollar that Canadian taxpayers were sending to Ottawa when we took office in 1984.

Mr. Kilgour: What is it now?

Mr. Valcourt: For every Canadian taxpayer who sends a dollar to Ottawa this government does not spend $1.23. It spends $0.96 for program spending.

• (1640)

Look at those Grits, those Liberals. They have the gall to stand up in this House and tell Canadians how offended they are that this government has doubled the national debt in eight years.

Mr. Kilgour: It has more than doubled.

Mr. Valcourt: Is that not terrible? We doubled the debt in eight years.

What those members do not add is that they took a debt and increased it 11 times in 16 years. That is what they did. Now today, they do not even have the honesty to tell Canadians: "Listen, take the debt that the Conservative Party inherited in 1984 and look at the compound interest on that debt. The total compounded interest is larger than what the debt was in 1984".

Mr. Keyes: How much short-term money did you borrow abroad?

Mr. Valcourt: That is the reality. Today they stand in this House and complain.

Mr. Flis: Madam Speaker, I have a point of order. In all honesty I ask the minister if he could table the list of employers who claim they cannot find workers. This would be such a great help to the 1.5 million people unemployed. Please, Mr. Minister.

Madam Deputy Speaker: The hon. member who is an experienced member knows that this is not a point of order. We are getting back into debate.

There is a minute and a half left for the hon. minister.

Mr. Valcourt: Madam Speaker, we were talking about the importance of this budget in the future.

The hon. member wants to talk about unemployed people. He is arguing that there are no jobs out there. It is true that we have a high rate of unemployment.

Mr. Flis: Would you table the employers?

Mr. Valcourt: No, I do not have a list of private sector people who are looking for people for jobs.

An hon. member: You said you did.

Mr. Valcourt: The hon. member could talk to small business people right in this city—

Mr. Flis: I do every day.

Mr. Valcourt: I met a small businessman last night in Ottawa who is looking to hire four persons. He is looking. Out of respect for the individual, who does not want his name made public, I will keep his name private but I will give it to the member, so that he can send those poor unemployed people who want to work right there.

Mr. Kilgour: One and a half million.

Mr. Valcourt: It is all right to try to score political points on the misery of people. However, what we are proposing to Canadians is not magic or an instant solution as with the Liberals where they spend more of the taxpayers' money and increase the deficit. Tax people. That is their way.

This is what we believe. To really help Canadians one must have the fundamentals right and in place. That is what we have been striving to do. Canada is poised for recovery like never before.

Mr. George Proud (Hillsborough): Madam Speaker, it is a pleasure to join in this very quiet debate this afternoon. There is a friendly discussion going on.

I rise today to make a few comments about this budget that I feel is a terrible effort at financial management by this government. This is another long string of inept fiscal and other measures that have been pushed upon Canadians by this present government. It is a measure of ineptitude which fortunately we will soon have an opportunity to change.

We have endured incredible hype about this budget in the past number of weeks as story after story circulated about the Draconian cuts that would be coming. Of course it is the classic manoeuvre of governments in the pre-election period to heighten the worst expectations and then try to show the voters what good people you really are.

In this case the government has not succeeded. The people have not been fooled and they will soon be able to pass judgment upon this government.

• (1645)

Thankfully, this is the last budget this government will bring down. It makes this an opportune time to review the government's record with regard to its fiscal management and forecasting ability.

This government has paid lip service to the concept of deficit reduction ever since it was elected. What we have seen, however, is not debt reduction but a massive increase in the public debt which now stands at record levels.

The promises of this government have never been matched by performance and we have no reason to believe its forecasting ability is going to improve at this late date.

The present finance minister missed on his projections not by thousands, not by millions, but by billions of dollars. There has been a mistake of $1.1 billion since December. He now tells us that the deficit in the coming year will be $35.5 billion. How do we know if this is correct? What is there in the government or the minister's track record that could possibly inspire any confidence?

Let us examine how we have arrived at where we are today. Jobs, jobs, jobs was the cry of the present Prime Minister before he was first elected. Jobs as a result of free trade was the promise in 1988. Deficit reduction was a priority throughout the past nine years. We now have the sad spectacle of the Minister of Finance of a government that made jobs, jobs, jobs its rallying cry standing before this House and saying, in effect, that an unemployment rate of 10 per cent is quite acceptable and will continue in double digits into the foreseeable future.

What does the future hold? I believe the government does not know. It does know how to attack hard-working Canadians and has gone out of its way to create a two-class system in this country: the rich and the poor. Sadly enough, during these past nine years the government has put middle-class Canada in a vice and slowly tightened the grip, forcing a wedge between the haves and the have-nots. This action is reprehensible and the government will feel the result of it in the near future.

Since the day it was elected this government has applied a double standard to the governing of this country. The Prime Minister at the outset appointed a huge cabinet to make sure as many MPs as possible shared in the spoils of victory. He appointed extra senators to impose an unpopular tax on Canadians and raised the art of patronage appointments to a new high.

On the other hand this government provoked a bitter strike with some of its lowest paid workers and now attempts to justify further slash and burn tactics by blaming government employees and programs for its financial ineptitude. The fact is that the economy has shrunk because of the government's mismanagement and therefore the deficit continues to grow.

To me, this is a government at war with itself. It is still talking and acting as if it was an opposition party. The Conservatives have been in power for almost nine years. It is their policies that have failed this country. It is their policies that have prolonged the recession so it now rivals the Great Depression of the 1930s. They must take the blame.

There are now food banks in every major city in Canada, more Canadians are living below the poverty line than ever before and the government has stood idly by and watched this happen. The institutions which have bound this country together have been destroyed and what was once an open and generous society has been threatened.

The government has also turned on the poorer regions of this country and is, in essence, cutting them off. It was noted in this House yesterday that the VIA Rail cuts will soon mean that only the corridor from Quebec City to Windsor will be serviced by passenger trains.

This is only a surface symptom of what is happening. Can you imagine how the people in my region where unemployment reaches 20 per cent feel when they hear that regional and industrial development will be cut and funding through ACOA will be cut by 25 per cent over the next few years?

We have just lived through this government's mismanagement of the fisheries and its total failure to act on behalf of the Canadian potato producers during the devastating PVY-N crisis and now we are told that more cuts are coming.

My province of Prince Edward Island will be the first affected by cutting the forestry agreement.

• (1650)

Mr. Valcourt: Madam Speaker, on a point of order. I wish to apologize to the hon. member for Hillsborough.

I would like to formally designate Thursday, April 29 as the second allotted day for this supply period.

Mr. Proud: Madam Speaker, as I stated, my province of Prince Edward Island is the first that will be affected by the cutting of the forestry agreement. A one-year extension of the current federal-provincial forestry agreement which expired March 31 has gone up in smoke.

If I might for a moment quote Prince Edward Island's minister of agriculture, Walter Bradley, he said:

> This announcement was completely unexpected, officials of both levels of government were in the process of finalizing priorities on a work plan for the coming year.

He went on to say that the non-renewal of the agreement will cost 250 direct jobs. He further stated:

> The unilateral announcement by the federal government will impose serious hardship on wood lot owners, sawmill operators, and silviculture workers, not to mention the economic and environmental impact on the province.

These figures may not seem big to a government which is oriented toward big business and multinational corporations but they are significant numbers in a small province like mine. This government still has not learned after nine years in office that it is there to serve all Canadians of all social and economic levels and not just the big interests and the stronger members of our Canadian family.

It is interesting to note that despite the fact the government feels it has to close down a large segment of the forestry industry in Prince Edward Island it has chosen to leave the golden helicopter deal intact in an obvious ploy to help the leadership aspirations of the Minister of National Defence. We may not be able to afford pilots but we will have the choicest helicopters that money can buy.

The minister may have thought he was delivering a message of hope when he read his budget speech. What he did say was that he hopes things will get better. There is a distinct difference. He presented a budget that he said would restore confidence in Canada. Instead, the dollar has dropped even more as his friends in the financial markets have passed harsh judgment on his performance and that of his government.

This is a pre-election budget with no clear direction and no blueprint for the future. Our young people are facing another summer with few employment prospects. There is no job creation program for youth or for those millions of other Canadians who are out of work.

There is no clear plan to improve Canada's infrastructure. There is a lot of the minister's hope that things will get better and his wish that the economy will improve. He dreams that private businesses, at least those that have not moved, will be able to turn the economy around. Obviously he has given up trying himself.

The people of Canada will soon have the opportunity to pass judgment on this budget and on the nine years of this government's rule. They will remember nine years of a government saying one thing and doing another. This government talks of restraint and deficit reduction yet the deficit has increased beyond our wildest fears. It talked of jobs, jobs, jobs, yet joblessness is at an all-time high.

It talked of tax reform yet the goods and services tax has failed to make even a dent in the deficit, while at the same time causing Canadians undue hardship every day.

The government has managed the economy of this country with ineptitude and incompetence. It is my hope that when it is gone others will be able to pick up the pieces and return Canada to some of the glory it has seen in the past.

The fortunate thing about this budget is that people will not have time to forget it before they go to the polls. The government's fear of the electorate has forced it into a corner and it must face the judgment of Canadians soon.

I believe that judgment will be harsh, and deservedly so. This government has done much harm to this country. This is a bad budget and I urge my fellow members to vote against it.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I certainly have spoken on budgets before in this House, although perhaps not on the budget debate but often on the borrowing bill the government normally introduces subsequent to a budget.

• (1655)

This year we had the borrowing bill first because the government was so disorganized it could not make up its mind about what to put in a budget. Having seen the one it produced the other day we can understand why. There is a complete lack of any ideas on the part of the government to try to ameliorate the economic situation it has created in this country and which has brought ruin to thousands and thousands of Canadians.

We have had record bankruptcies for the last few years, thanks to the government. We have had record unemployment for the last few years, thanks to the government. The Minister of Finance and his cabinet colleagues have really made a terrible mess of the finances of Canada. That is not unusual in my own experience because the last time we had a government that made such a mess of the national finances was the Diefenbaker government in the 1950s and early 1960s. I can still remember the clean-up job the Liberal Party had to do when it took office after defeating the Diefenbaker government in 1962. I will not dwell on that today.

What I wanted to talk about was the fraud that is being perpetrated on the Canadian public by the Minister of Finance and the government in the budget that has been presented. We have got this very fancy little booklet that the government has produced *en masse* for people to read and it is full of statements that are utterly misleading and false.

I would like to quote one of the statements the minister had the nerve to read in the House during the

course of his budget speech. It was so patently false I was amazed. If he had been on oath he would have been accused of perjury. He said: "Less borrowing, lower taxes, more jobs and more choice. That is the direction in which people want to go and that is the direction in which this government is going". He was all wrapped up in these words.

Let us look at the record, let us look at the facts that back up that statement. First of all, he said less borrowing. The deficit has increased for the last four or five years. It has gone up consistently every time and the minister says there is less borrowing. Where? Who is borrowing less as a result of this government's economic mismanagement? Certainly not the Government of Canada and certainly not the people of Canada who are having to pay the interest on the public debt. The less borrowing statement is patently false.

He said lower taxes. Where are the lower taxes? He told us there were no tax increases in this budget. That statement is also false because taxes are going up in this country because of the deindexation of deductions which this government has done in its past budgets. The government knows it is going to get more money this year as a result of the removal of the indexation provisions on all the deductions in the Income Tax Act and the removal of the indexation on the rates of tax on various levels of income. Those have all been taken out, so taxes will go up this year.

The government says there are no tax increases. There are not any in this budget but there are tax increases coming into place as a result of previous budgets. We have had something like 35 tax increases in the last eight years already. He said lower taxes are what Canadians want. If they are what they want and that is the direction in which the government is going, where are the tax decreases? Where are the lower taxes? There were none in this budget.

Then he said there are more jobs. Where are the job creation schemes in this budget? There are not any. The government announced with some pride that it was laying off 16,000 public servants. The President of the Treasury Board spoke in the House yesterday and shed crocodile tears at this loss, but he is party to the government that is doing this. He is letting these people go.

The minister said this is job creation, more jobs. What is it? Is it job loss or job creation? Why does the minister not tell us? Why does the Minister of Finance not tell the truth to Canadians instead of these falsehoods? Why does he not tell them that there are not more jobs but fewer jobs as a result of this budget. It is a do-nothing budget. It is worse than do-nothing. It is damaging to the Canadian economy.

Then he said more choice. I do not know what he meant by that. I do not think he did either. I think he ran out of words with more in front of them. He had to think of words that he could put more in front of to make it sound as though something was better. He stuck in the word choice. I do not know what choice he meant. If he meant that one has more places one can go for help from the government that is false because it is closing offices right, left and centre in an effort to save money. The government makes us make these long distance telephone calls that cost more and tie up Canadians more in their efforts to get answers from the government. There is not more choice. There is less.

He said this is the direction the government is going in. I would like to know where he got that idea. I suspect somebody, some Tory hack in his office, wrote that statement and stuck it in because I notice it is on all the little budget summaries the government is handing out, the one card deal. I notice that is on there in heavy print almost word for word, though not quite the same. I suppose he said it in different places in different ways, but it quotes him as having said it that way on April 26. That is something that is wrong.

• (1700)

The other thing I wanted to refer to was the minister's incredible statements about the reduction of the deficit. Every year for nine years we have heard about deficit reduction in Canada. It is always just around the corner. We remember the former Minister of Finance, the member for Etobicoke Centre. He is long gone from that job and everybody has forgotten him. He used to talk about holding the course. He used to say that we are going to hold the course. We did not hear that expression in the budget the other day, did we?

Mr. Ferguson: That is what the *Titanic* did.

Mr. Milliken: It is like the *Titanic*, but he did not use the expression. I guess the Minister of Finance realized that being in charge of the *Titanic* one ought not hold the

course. Maybe he has realized that the ship of state he has been running on icebergs for the last few years is really coming to ground. He did not use it.

We did not hear about the fundamentals either. We used to hear how we always had the fundamentals right. I do not think the government ever knew what the fundamentals were, let alone whether it got them right or not. It has them all wrong. Everything is wrong in this budget.

Let us go back to these figures on deficit reduction. This is an unbelievable set of statements. The government says that its budgetary deficit this year will be $35 billion. This is the fourth or fifth straight increase in the deficit. Every year the government says it is reducing the deficit, it has control, it has the fundamentals right, it is doing everything right and everything is working. Yet the deficit has gone up again for the fourth or fifth year. The projections are that it will go down next year and the year after that until in 1996–97 it will be down to $14 billion, according to page 62 of the minister's budget.

He has nothing in here to back that up. The minister has the credibility of Mother Goose.

Mr. Loiselle: I'll tell him.

Mr. Milliken: Tell him. I urge the President of the Treasury Board to go and tell him and get out his Mother Goose books to see if they have any more credibility than this budget document. It is absolutely unbelievable. I have here an old budget just to prove my point. It is dated November 8, 1984, and is from the former Minister of Finance, the member for Etobicoke Centre. It was not actually a budget but an economic statement. This was his first effort.

Mr. Keyes: There was one of those last December.

Mr. Milliken: That was not the first economic statement but it was the first Tory economic statement in a number of years. The Tories told us that with their projections everything was just going to be terrible because of the awful state of affairs they inherited from the previous government. They went on and on about that for pages and pages. I quote from page 97 of *Hansard* from November 8. He said:

> With this set of projections—the deficit for this fiscal year would be $34.5 billion, almost $5 billion higher than projected last February by the previous government. That is bad enough but that is not the worst of it. Current projections show the deficit increasing next year to more than $37 billion and remaining between $34 and $38 billion in every year for the balance of this decade.

That was to take us up to 1990. Remember he was talking in 1984. He continued:

> This is in marked contrast to previous projections that showed the deficit declining over that period.

The former Minister of Finance was very upset about these projections and he decided he had better do something about it. He said he would take action, and so he did. He took action and introduced all kinds of tax breaks for his wealthy friends and various other benefits that he said were going to help solve this problem. Of course they did not. He said:

> But move we must.

This is from page 100, so we can see how long he went on about this stuff. He said:

> Our goal is to reduce the projected level of annual expenditures by 1990 by $10 to $15 billion, inclusive of the measures I am announcing tonight.

He already had other cuts but we know that the expenditures did not decline by $10 billion or $15 billion by 1990. They never got down anywhere near that far. Now they have gone up by a lot more than that, and those were good times. They were growth years, record growth years. One would have thought the minister could have salted away a bit of money for the rainy day the way Conservatives are always saying we have to do. They always blame the Liberals in Ontario for not salting away enough money for the rainy day. Now we hear the same song and dance from the socialists.

That is what the minister did, and of course his deficit projections were all wrong. If those figures were accurate I think we would find that the deficit by 1990 would be down to about $15 billion. It never got anywhere close to $15 billion in 1990 or any other time since this government took office. It has always stayed in the $30 billion range. It has never been able to get out of this, and now it is up as high as $35 billion.

We had these awful projections that if something was not done the debt was going to be something like $415 billion by 1990. It is way over that. It is going to be $500 billion very shortly according to the minister's own projections and his own budget that he introduced.

The national debt will hit $500 billion in early 1994. This was considered a national catastrophe in 1984. For that reason the Tory government said it was going to take action, solve that problem and make things work. Every year in every budget it has told us that the actions it was taking were saving us billions of dollars and it was going to solve this deficit problem. Yesterday was the latest example and now the deficit is worse than ever before. This government is hopeless. It cannot organize anything. Its projections have the credibility of Mother Goose.

• (1705)

The Minister of Finance should withdraw this budget. He should get out of office and call an election. He is incompetent and the whole government is incompetent to govern this country. It has made a terrible, terrible mess of it. Even Jeff Simpson in *The Globe and Mail* wrote an article entitled "From a tired government, a budget without inspiration or conviction".

Everybody knows this is a tired old broken down Tory government that is breaking the whole country down by hanging on to office. My colleague from Hamilton West says he cannot withdraw because there is a leadership campaign. Call an election anyway. Let the people make a decision. We do not need a new leader in the Tory Party. Putting a new label on the old bottle will not do any good.

There are two things that we have suggested that I would like to draw to the minister's attention as something he could have done to improve this mess.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I am very interested in what my colleague from Kingston and the Islands has to contribute to this debate. As we are dealing here with the budget, I am most interested in his suggestion that we tell the Minister of Finance to just withdraw his budget, resign his job and let us get on with an election.

I wonder if he can really do that because what he was really doing was probably giving us a pre-leadership budget. Really, what can the Minister of Finance do when Campbell and Charest are running against each other?

Maybe the member for Kingston and the Islands can explain this to me, but as I recall was it not Campbell who said the deficit was going to—

The Acting Speaker (Mr. Paproski): Again I have to say to the hon. member that he is speaking of the Minister of National Defence and the Minister of the Environment. Please.

Mr. Keyes: I will respect that wish of the Chair. Thank you very much, Mr. Speaker, for correcting me. I just wanted to make it clear to my constituents who I was referring to. They may not follow all these positions quite as closely as the member for Kingston and the Islands and I do. They change so often who can keep track?

The Minister of National Defence told us we could get rid of that deficit—and the member for Lincoln can tell me as I think she is co-chairing her campaign—in five years, I believe. We are not going to have a deficit any more after five years. Then the Minister of the Environment said we can get rid of it in four years. As a result we are going to end up with individuals who can produce plans for us that say we will not even have a deficit.

Now wait a minute. The Minister of Finance gave us a budget that said we are going to be about $8 billion— It is five minutes for questions and comments, right, Mr. Speaker? I am taking a couple of minutes just to ask my question. I will cut off now so I can listen to my colleague from Kingston and the Islands who may explain this pre-leadership budget which could develop into a pre-election budget in another month or so.

The Acting Speaker (Mr. Paproski): The hon. member for Kingston and the Islands will have at least one minute.

Mr. Milliken: Mr. Speaker, I will be pleased to respond to my very distinguished colleague from Hamilton West as quickly as I can.

It is clear that the Minister of National Defence thinks the deficit can be solved in five years and I think the Minister of the Environment said four years. They are influential ministers in this cabinet so one would think that in the years they have been there they might have done something to bring this about. But clearly the deficit has gone up and not down with them in the cabinet. They have been utterly useless as far as deficit reduction is concerned. I think the Secretary of State for External Affairs has done more to reduce the deficit

than either the Minister of the Environment or the Minister of National Defence. I think neither of them has any idea how to solve the problem.

An hon. member: Well, she is not flying first class anymore.

Mr. Milliken: And unfortunately she is leaving public office. They are losing the people who could help and they are gaining—

The Acting Speaker (Mr. Paproski): I regret that the hon. member's time has expired. I really regret that because he always comes up with a very good speech.

Ms. Barbara Greene (Don Valley North): Mr. Speaker, it is a great pleasure to follow the member opposite who is certainly quite capable of telling many nursery stories. I was amazed at his presentation because he seemed to have such a strong interest in reducing the deficit and yet his party's policy on that particular issue is so vacuous.

• (1710)

I understand that his leader has announced he wants to reduce the deficit to $25 billion. That of course would mean that the debt would continue to rise. Our policy is to reduce it to less than 1 per cent of the gross domestic product by 1997.

Clearly the opposition members of both parties are only interested in spending and continuing to spend. The level of restraint that has been indicated in this particular budget is certainly far beyond anything they are considering.

The only party in Canada aside from our party that is prepared to tackle the deficit is the Reform Party and I think its method of tackling the deficit is just unacceptable to Canadians.

I feel very confident about what Canadians think. I participated in this budget process and I consulted my constituents. I sent them out a "You Be the Finance Minister" pamphlet that many of them took the opportunity to fill out. Many of them went through this exercise and a vast overwhelming number balanced the budget.

My people are going to be very disappointed that the finance minister did not cut further. I was initially quite disappointed but in considering it I think we are quite right, this is a pre-leadership budget. Certainly this is going to be the main issue in the next election. I am absolutely confident that the vast majority of Canadians want to see the deficit cut further. They want to see the national debt paid down.

The only programs that my constituents wanted to increase or remain the same were health and welfare, the environment and agriculture. With respect to transfers to persons they cut everything but seniors' benefits. Transfers to the provinces, health, education and job creation were the only things they did not want to cut.

It is clear to me that the finance minister followed the wishes of my constituents and Canadians across this country. He cut everywhere they suggested with the following exceptions. He did not cut other transfers to persons. My constituents were not aware who these other persons were. I am sure they would not want to cut funding to veterans or the disabled.

Similarly he did not cut payments to less wealthy provinces, the EPF funding and the CAP. As he has stated this has to be negotiated with the provinces. It has to be done together. These programs are too important and clearly my constituents want health and welfare to remain. They wanted cuts made to the Canada Assistance Plan but I think we must all agree in this House that the least able Canadians must be helped and that must be treated in a very sensitive fashion.

Similarly the minister did not cut funding to Indians and Inuit. All of the other areas that my constituents wanted to cut were in fact cut and those they did not want cut were not cut.

An hon. member: Wow, that is great.

Ms. Greene: I think the member is quite right. This is a pre-leadership budget and an election is imminent. There is no new legislation possible so the finance minister had a dilemma. The problem in the 1992-93 budget was that the revenues anticipated did not appear. Spending is under control. This government has a very tight control over spending in this country.

The problem was the revenues and some of that can be addressed administratively looking at some of the slip-

page. For the rest of it we have to have an improved economy. In looking at this budget he had to balance the two objectives of restraining spending and controlling the deficit as well as stimulating the economy.

He needed something credible and achievable that was sensitive to the public's wishes. He was also constrained because he could not touch $41 billion in debt payments. The programs he did not touch cost about $52 billion and the debt payments are $41 billion. That meant only about $60 billion worth of expenditures could be tackled and over the five-year period that section of government spending will be cut by $30 billion.

• (1715)

The 1993-94 cut is $3.8 billion rising to $5.8 billion in 1994-95. Those are very substantial cuts given the fact that these departments have been under restraints since 1984 and the demands of the population are not diminishing. It is going to be a tremendous challenge to those departments to maintain the quality of services that Canadians are used to.

We had a remark earlier by one of the members about a particular incident that occurred in Toronto. My office was also flooded with calls. The fact is that was not a reduction in service at all. There was a major computer error and a lot of papers went out that were inaccurate. They were followed very quickly by a second series of computer runs. The elderly people were very confused. These were the statements regarding their OAS benefits.

At the same time another office was transferring to a different location so calls were being rerouted to the Toronto office and the phone lines were jammed. I think that is very peculiar. Usually my office finds that the Department of National Health and Welfare does respond. We do occasionally have to intervene but we are able to get through and resolve those problems. I think there will be a real challenge.

We also deal with immigration a lot in my particular office. I am pleased with the new measures which will result in greater efficiency and greater uniformity in the treatment of people. The calls will be centralized to one location. Of course there will be reductions in the cost. A 1-800 number is going to be open for a much more extended period of time with a whole bank of switchboard operators and a computerized system where people will be able to access information quickly. It is going to be a tremendous improvement.

We have had to deal with many immigration inquiries and I think that by centralizing and upgrading the service tremendous amounts of money will be saved. The total amount of savings in the immigration budget is $1 billion. The legislation that went through will result in that. That is something my constituents are very much in favour of.

I think the minister has presented a very realistic attempt to continue on course at this time. It is a thoughtful and strategic approach that will help Canadians compete and help our economy grow. It will help to drag us out of our fiscal sink-hole.

The members opposite said there is nothing in the budget about jobs. I listened carefully to what my constituents were saying. I attended many of the prosperity sessions. The business community wants us to provide a stable economic environment. They want low inflation and low interest rates. That is what this budget is trying to do. They do not want new taxes. Many of the items in this budget will help them in terms of their business loans under the Small Businesses Loans Act and other measures will improve the taxation system for business. These are nitty-gritty things, the kind of things the Grits opposite never think about.

There are very real cuts in this budget. Those constraints on the departments will result in very real cuts. The departments will be challenged. They will have to come forward. I think we will have ministers delivering a succession of bills to accomplish those goals. There have been tremendous improvements. It will be a manageable means of cutting that will give proper consideration to various alternatives.

Certainly as far as the provinces are concerned we have to work together on those programs because the Canadian public value them. We have to talk about efficiencies in the health care system and in our social spending.

I think the Reform Party has been very aggressive. Many of my constituents who responded to my questionnaire are leaning toward the Reform Party because they are so deeply concerned about the deficit. However they clearly do not want the cuts that the Reform Party wants to make. One of their suggestions is to base the OAS tax-back on family income rather than individual income. My constituents oppose cuts to seniors' benefits, health, education, job training and agriculture. Shifting the tax back in that manner would mean that couples

would be very unfairly treated. Right now seniors receive their benefits based on individual income. Requiring women in a significant majority to lose their OAS benefit because their husbands have a high income I think would be most unacceptable to my constituents and indeed I think very unfair.

• (1720)

We have the tax back in place for those who are quite wealthy and who are not receiving the OAS. I think any further tampering with the seniors' benefits would have to be something that would be considered very carefully in conjunction with the seniors.

As a baby boomer I am concerned about what is going to happen to our benefits when we get to retirement age. I do think that retirement benefits for seniors have to be looked at. I think we have to secure the retirement income of Canadians who have lived and worked in this country. That I think is an undertaking that our members are very concerned about as is the general public.

I have already mentioned that the Liberal target for the deficit is $20 billion to $25 billion. I think that is far away from what we are talking about. We are talking about eventually a zero deficit, but in terms of the five-year approach we are talking about it being 4.5 per cent in 1993 and .9 per cent by 1997. The Clinton budget in the U.S. has a target of 2.5 per cent by 1997.

Actually we have done a lot better than every other G-7 nation. When we look at our particular situation and the international statistics we have confronted a world-wide recession. The latest revised forecast from the IMF indicates that we are projected to lead the G-7 nations with respect to economic growth.

We have mortgages with the lowest interest rates in 35 years, inflation at the lowest level in 30 years, government spending at the lowest level in 33 years, productivity and unit costs that have gone down 6.6 per cent and the highest exports in history. In terms of managing this economy I think we are doing very well.

Obviously it is a very difficult period for many Canadians. However, when we actually look at the job statistics that have been churned out there has been a tremendous amount of movement. We have a very dynamic economy. There are new jobs being created and other jobs being lost. We are facing a revolution in terms of technology.

What is the answer to that? Is the answer to put up fences to attempt to control what is a natural occurrence in a dynamic economy or to try to help Canadians to adjust by giving them better training, better education and creating an environment that encourages businesses to expand and to locate in Canada?

We now have through the efforts of the finance minister the best tax regime in the world for research and development. I am proud of that. I think that is something business really wants.

Of course the Liberals have opposed every single cut that we brought forward and so has the NDP. The only cut that they would like to see that we would not like to see is the helicopters. This amount of money is $4.4 billion over 13 years in 1993 dollars. That averages $340 million per year. They have spent this at least 10 times over.

There are a number of people who are talking about day care versus helicopters. They say we should do this or do that and reduce the deficit. This would not make any kind of significant reduction in the deficit because it is too small. It is not even $1 billion. It is $340 million a year.

• (1725)

We know it is a tremendous boost to a great number of industries in Canada. In terms of job creation and retaining the kinds of jobs that we need to move into the future it is excellent.

It is something that the companies are now delivering, having receptions for and recognizing. I think more Canadians will realize that this is an expenditure that is important to Canada and a good way to create good long-term jobs.

The NDP of course offers a full employment strategy. As the chair of the poverty committee I have had a great deal to do with the NDP's full employment strategy. I have been trying to find out what it is for four years. We kept asking the hon. member for Saskatoon—Clark's Crossing for specific examples. We kept asking him to bring forward his suggestions. None were brought forward.

I have however seen an NDP job strategy in Ontario. It has devastated Ontario. It is clearly something that is really smoke and mirrors in the strongest sense of the word. It has resulted in devastating consequences in Ontario. It has exacerbated the recession, scared the hell out of business and really contributed to the situation we are in currently. I am pleased however that Premier Rae seems to have learned a lot lately and is attempting at last to tackle some of the serious problems.

I attended a Conference Board session out west where I met with various leaders from across the country in the business sector, the government sector and the education sector. It was a very stimulating experience. Their concerns were much the same as the concerns of my constituents and I think that our government is certainly on the right track.

The Conference Board predicts that all Canadian governments will be constrained in spending for at least the next 10 years. I think we need to stop joking around in this Chamber and start looking at this in a serious fashion.

The challenge will be to make better use of scarce government dollars and yet treat Canadians fairly and allow these scarce government dollars to be given to those who need it most. That is exactly what we are trying to do at the poverty subcommittee. We have been examining the issue of poverty measures and the use thereof with a view to providing a means of identifying and monitoring the welfare of Canadians at the bottom end of our society so that governments will be held accountable and we can actually see whether or not programs have in fact worked.

We are looking at this situation and I think in terms of policy it will be extremely important. We do not now have a poverty line. Statistics Canada has repeatedly told people that the low-income cut-offs are not a poverty line and in fact they make a very poor poverty line.

I will mention one little item to illustrate what a poor poverty line they make. It includes taxes in the current numbers. If one takes taxes out one reduces the number of poor in Canada by 3 per cent. If one looks at the elderly population one reduces it even further. This is because under our taxes we transfer considerable amounts of income to low-income Canadians. Surely when we are looking at poverty in Canada we should be considering the impact of what in fact we do through the tax and transfer system.

I have been accused of playing with the figures for the benefit of our party. The fact of the matter is that this is historical data. The Liberal Party will be pleased to learn that it makes them look better too because many of the tax measures that were introduced were introduced under the Liberal Party. One can see the pattern that has occurred through the tax transfers.

However, in looking at poverty, we need national standards. The amount of money one needs to live in Toronto is not the same amount of money that one needs to live in Vancouver, Calgary, Winnipeg or Montreal. We know that through very accurate data now collected by Central Mortgage and Housing on every single community in Canada and Statistics Canada with respect to Agriculture Canada. There are tremendous variations.

• (1730)

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, will the member tell us whether there is one person in Canada other than on her side of the House who has had anything positive to say about the budget? Second, I would like to know the name of the person or the organization.

We now have 10,000 people a month visiting our food bank in Edmonton. I am wondering if she has any thoughts of that in view of the budget.

Ms. Greene: Mr. Speaker, with respect to the budget all the international agencies that are used to monitor this sort of thing have given it very high ratings.

Those are delivered across Canada to businesses and so on. That is why we have seen stock market activity in this country that shows quite clearly that the business community has confidence in this government and not in any other group.

With respect to the food banks, Edmonton is in a province with welfare rates that are probably inadequate to cover basic necessities. I feel that food banks are a humiliating and degrading way to give people basic necessities.

I very strongly believe that we should have welfare rates in this country that are sufficient to cover basic needs such as food, clothing and shelter along with all the basic essentials.

I think we should work toward eliminating food banks. Indeed, when people working at the food banks appeared before our committee they said exactly the same thing. They want to eliminate the need for food banks.

I know that in Ontario and in Toronto in particular we had many discussions about this when I was on the community services and housing committee for 11 years. We attempted to get proper rent supplements and so on. We felt that the incomes of poor people should be sufficient to cover basic necessities.

There have always been agencies that have given out food. I think we have to talk about a system in which the self-esteem of people in low income situations is considered and they are helped in a very positive way. They should be given the basic essentials and also pathways out of poverty.

Our recommendation in the poverty subcommittee was for welfare to be at a basic needs level and for the child benefit to be on top to ensure an adequate discretionary income for children. I think those are very excellent goals.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I am pleased to have this opportunity to speak to the budget that was brought down by the Government of Canada on Monday of this week.

In listening to the last speaker in this House I am wondering if I am in the House of Commons of the right country. The words I have just heard do not reflect to any degree what I have to say about the budget that was brought down on Monday. They do not reflect the opinion that is widespread in my own constituency.

The motion we are debating is from the minister who wishes us to agree in general with his budget statement. I have to put on the record that I could not do that. Instead I would totally support the motion of non-confidence put forward by my own party which says that this House condemns the government for presenting a shop-worn copy of last year's budget.

It fails to present a realistic and comprehensive program to create jobs and an economic recovery to permit the millions of Canadians whose lives have been crushed by Tory policies to regain their hope and livelihood.

This government fails to offer a credible and fair plan to control and reduce public debt. It fails to provide Canadians with a true and accurate account of the eight and a half years of Conservative government mismanagement.

This government is in serious trouble. This country is in serious trouble. The credit rating of this country is in doubt today. The markets are volatile.

Canadians, including constituents of mine in Northumberland are very concerned about the future of this country. They no longer feel that they live in the Canada they grew up in, that they prospered in, that offered them the opportunity of a bright future. Canadians do not know that vision of their country today. They long for it and hope it will return, that prosperity will return. However they were devastated with the budget as it was presented on Monday.

• (1735)

The most important fact is that the budget does nothing to get our economy moving forward again. We see a stand-pat budget, one that talks of further cuts, cuts into the future. It is a very safe budget for a government that is going into a federal election this year, a government that postpones to three years hence words about cuts. It has been promoting and selling to the Canadian people that the only policy and the only problem of any significance and any importance in this country is the debt and the deficit and the deficit in financial terms only.

People in this House recognize that the deficit and the debt are very serious problems and must be addressed, but this party would do something to help this economy recover. The economy must be helped to grow. The budget we were presented with on Monday does absolutely nothing to encourage that. Instead it deadens any spirit of optimism and hope people might have had.

During the tenure of this government Canadians have had their taxes raised 36 times. Consumer spending is presently down because of the fear experienced by Canadians. When members on the other side of the House speak it sounds like another country. Instead of a recovery however in my constituency there are still more and more jobs being lost as companies close and leave, as more and more people close up shop and go into bankruptcy. Just yesterday we heard of the difficulties of the Mack truck company. It is closing its doors and is purported to be moving south.

The government says that we have an unemployment rate of around 11 per cent and that we have to expect that to continue well into 1994. In the constituency of Northumberland that is not a believable figure. A census was done in a neighbouring township to my riding of Northumberland. It was found that in fact the unemployment level was 14.6 per cent. Over 6 per cent of the population said that they were grossly underpaid. They were working but did not derive enough income to support themselves in any lifestyle that way not just survival.

Recovery in this country with no jobs is no recovery. We must have a recovery that provides jobs for Canadians. We have over one million people unemployed in Canada and the government wants to know what the Liberal Party would do that is different. We would create wealth in this country. We would put people back to work. If we put one million people back to work we would save $20 billion and that would go a long way to reducing the deficit.

In the budget we heard the finance minister talk about what was going to occur in Canada next year, the year after that and five years hence. So many of the things he said were just absolutely unbelievable. If we consider his prognostications about the deficit itself, it is interesting to look back to last year where in his budget speech of February 1992 he said that the deficit for 1992–93 would be $27.5 billion. In December he changed his mind. He regretted that his prognostication was out and that it would rise to $34.4 billion. Monday he said that since December he had to change his mind again and that now the deficit was going to be $35.5 billion. That is a difference of $8 billion in his prognostications for one year, the year we have just gone through.

How can we possibly believe a finance minister who says that in the year 1997–98 our deficit will be only $8 billion? In 1988 the deficit for 1992 was to be $19.5 billion. Monday it was changed to $35.5 billion.

• (1740)

This government has no credibility whatsoever and it is very obvious in all of the economic measures it has brought down, which I believe we have debated against very honestly and forthrightly. We have tried to point out the problems with the cuts, cuts, cuts this government has brought forward. We have tried to show that they were not good for this country. Obviously the government has not come up to its own predictions about its policies. It is way off track which is not just causing a lot of consternation for individuals in Canada but for people around the world.

The Liberals would follow a two-track policy for economic recovery in this country. One track would deal very specifically with the deficit and the debt, knowing that those are very serious problems. There must be expenditure reductions by streamlining processes and eliminating duplication, while continuing to deliver the basic services that Canadians need. This must take place in consultation with the provinces.

We have done an analysis in doing some economic union work with the western provinces. We have shown that in one year, if we could do our government purchasing together, work more efficiently together, we could save $5 billion. Working more efficiently and streamlining our systems and processes does not mean cutting, it means saving billions of dollars.

Our government would also do many things to foster economic growth, investing in people, investing in research and development and infrastructure. People must be put back to work so that they are paying taxes rather than collecting unemployment insurance or welfare payments. As I said before, we have to remember that one million Canadians are unemployed and that is costing our country $20 billion a year.

To my mind the deficit that is more important than the financial deficit is the human deficit. We can work with monetary policies to reduce the deficit and we will do so. But the human deficit is going to be long term and will be very hard to cope with.

I recommend to everybody the report put out by the Senate Standing Committee on Social Affairs, Science and Technology in January 1991, which talks very clearly about the long-term negative effects of poverty on people in Canada. We know that the joblessness and consequent poverty in this country have been very much responsible for family breakdowns, stress, abuse against women and children, violence and crime, the breakdown of society. We need to get Canadians back to work and this budget is no solution to that end.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, we are talking about a government that has set itself a priority. The priority this government has set itself is the reduction of the deficit, the reduction of the national debt. That is the yearly amount of money we spend and the collection of all those different years of budgets.

The Minister of Finance should take a moment to walk in his riding. I invite him to come to my riding of Hamilton West. If he were to sit in the local coffee shop or to take a walk around the downtown market or streets for just a few minutes, he would quickly realize that he has his priorities wrong, that the Tory Party has its priorities wrong.

That is because most people today are talking about jobs: "Give me a job. Give me the opportunity of a job". Then everything else will look after itself and we will not have to worry about whether there is enough money in the kitty to pay for social services. We will not have to worry whether there is enough welfare money in the kitty.

My constituents are telling me: "Stan, get into the House of Commons and will you just repeat it again and again and maybe, just maybe one of the new leadership candidates will understand that the priority in this country ought to be jobs. Let us create jobs".

• (1745)

When was the last time we heard about jobs from this government? Well, as many of my colleagues have already said, it was in 1984. The Prime Minister of this great country said: "My priority is jobs, jobs, jobs". That is a direct quote.

What do we have? Today we have 1.6 million people who are unemployed and over three million who are underemployed. That means people with some kind of a job, part-time jobs here or there, who really want to be employed full-time but cannot because the jobs just are not there. What do we have? We have around four million people who are unemployed or underemployed.

I ask my constituents this simple question: Are you any better off today than you were in 1988? Are you any better off today than you were back in 1984 when this government took office? Chances are you are going to say that you are not. How can we not be when we are in the greatest country in the world, Canada? With all our opportunities, with all our advancements in education, with all our natural resources, we sit here with close to four million people either out of work or looking for full-time jobs. Horrible, it is just horrible.

My constituents would have something to say about it if I did not get specific with this government about the problems in Hamilton West. In Hamilton West the unemployment rate is higher than the national unemployment rate which is 11 per cent. In Hamilton it is 11.7 per cent. Hamilton has 38,000 people unemployed. It is inexcusable.

Let me talk about youth unemployment. Hamilton West and the city of Hamilton and area is proud to have McMaster University, which is one of the major employers in our area. Youth unemployment in Hamilton is at 19 per cent. Nineteen per cent of students cannot find jobs.

Let us jump over to bankruptcies in Hamilton. We are talking about consumer and business bankruptcies. In 1988 there were 508 consumer bankruptcies and 102 business bankruptcies. In 1992 that number has jumped to 1,504 personal bankruptcies and 201 business bankruptcies.

I do not have to convince my constituents in Hamilton West of that. We all walk around downtown. We see how many stores in Jackson Square have masking tape over the glass. They are all shut down. It is now free rent for a few of the stores still there that use it for storage space next door. It is a horrible situation.

Regarding welfare statistics, the case-load in Hamilton has increased since 1990. In November 1990 the general welfare assistance case-load stood at 9,836. By March 1993, just last month, the case-load for general welfare assistance was 17,011. That is an increase of over 40 per cent.

But this government keeps telling us: "Stay the course. We know where we are going. We are going to build on what we have in this country". What we have in this country is a hell of a mess. There are people looking for work. We have to create the jobs.

Like all the budgets of the Tory government since 1984, this budget provides no hope for Canadians and it is filled with the usual empty rhetoric. Most of all it is laden with all those unrealistic projections. The budget is silent on a whole range of issues including, tragically, solutions for the 1.6 million Canadians who are unemployed and the over three million Canadians who are underemployed or have part-time work and are looking for full-time jobs.

• (1750)

Not only did this government promise jobs, jobs, jobs back in 1984 but it also promised the most generous retraining programs for workers laid off because of that Mulroney trade deal back in 1988. I have to be honest. There were more than a few friends of mine in Hamilton West who said the trade deal had a chance and they were going to vote Conservative because it just might be the ticket. Part of the reason they did so was that this government promised them "the most generous retraining programs this country has ever seen". Those were the words of the Prime Minister.

Have they developed? There are constituents sitting in Hamilton West today who had good jobs, a wife, children, a mortgage and maybe even a cottage or a boat. Tragically eight years later some of my constituents who were married are no longer married. They are divorced. They no longer hold a mortgage because they cannot afford to pay the mortgage. They no longer have the luxury of a cottage or a boat. That went long before the mortgage went.

This was because of the stress put upon them by the inability to have a job that was not there. The government promised they would be retrained. They lost their jobs because of the free trade agreement. They lost their jobs because that company went south. They did not get retrained. They could not get retrained. There was nothing to be retrained for and if they could be retrained this government was not going to help them get retrained.

Ten minutes go very quickly. I will conclude my remarks in the same manner in which I began, with a question. Why did we have this budget in the first place, if that is what we call a budget? It is a total failure. In the end how does it all matter? It is another tired piece of guesswork from a lame duck government which within just a handful of months will not have the mandate to carry through with any of it.

Canadians are the lucky ones. After all, this is a pre-leadership budget that may be discarded anyway in the next couple of months to make room for a pre-election budget which probably will be brought in by the minister of defence, the Minister of the Environment or whoever wins that leadership contest. God knows that this thing called a budget lacks the economic plan to produce R and D, training and most of all jobs to turn this country around, to instil a new confidence in the Canadian people. That is what a budget has to do. That is what this budget did not do.

The Prime Minister and the finance minister should hear the people when they say: "Give me a job. Give me the retraining that is needed for that job". Everything else will look after itself.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and to Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I rise today to speak to the budget brought down by the Minister of Finance on Monday.

First of all, I would like to congratulate the minister on his realistic approach to the difficult choices he had to make. In this budget the government is staying the course set in 1984 with a view to reducing the deficit and, within a reasonable period of time, to eliminating it altogether.

• (1755)

As we have said repeatedly, these difficult decisions must be made and implemented now because the deficit, and especially the interest on the debt it generates prevents us from introducing new social measures.

A government's budget at whatever level is no different from a family budget. Of course there is a difference in scale and complexity, but in both cases, if we continue to spend more than we earn, we are soon faced with a crisis.

We all know there are not umpteen ways to cut the deficit. We either increase revenues or cut spending. Increasing revenues would have meant increasing taxes. The Minister of Finance wisely preferred to cut departmental spending.

Canadians already bear a heavy tax burden, and announcing new tax increases would have had a disastrous impact on the economic recovery.

Both business and individuals pay their fair share of taxes, and I think their resources are stretched to the limit. Raising taxes would have been the easy way out but unrealistic in the circumstances. That is why the Minister of Finance preferred to make further cuts in government operations and departmental spending.

Like any business faced with revenue shortfalls the government has decided to cut operating costs and program spending. For instance, the federal Public Service, where the number of positions has already been cut by 90,000, will be expected to reduce the number of public servants by about 16,500 over the next five years. However, despite these cutbacks the government's intentions are clear. It wants to do, and will do, everything in its power to prevent any reduction in services to the public.

As the Minister of Finance pointed out, and I quote: "The government will continue to streamline its operations and improve the cost-effectiveness of its service delivery. We will make government smaller, simpler and more accessible to Canadians."

I would like to take this opportunity to congratulate members of the federal Public Service on the excellent way they are doing their jobs. They are all doing everything they can to help us improve the way government responds to the needs of the public and they have every reason to be proud of their record. It will not be easy for them to manage these new cutbacks, but we are asking them to co-operate because they must realize that the government has no choice and that as responsible administrators we must stay the course on reducing the deficit.

They will all have a major role to play in this process, and I am convinced we will again be able to rely on their efficiency, competence and dedication to help us in this difficult task.

As part of its policy to cut costs and improve service to the public, a commitment made in 1984 and reiterated subsequently, the government has adopted a number of measures aimed at simplifying communication between business, individuals and government. For instance, the minister announced a simplified GST system for small business. I am referring to improvements in the quick method for computing GST which would simplify procedures for hundreds of thousands of small businesses.

These are not necessarily headline grabbers, but based on my conversations with business people, I can assure you these measures are most welcome because while reducing the cost of government operations they also reduce administration costs of Canadian businesses.

Less paper burden means businesses have more time and money to spend on improving and expanding their operations.

• (1800)

These are very simple little measures that have a big impact, directly and indirectly, on the cost of management for our Canadian businessmen and women.

We must also be pleased that social programs were not affected by the announced cuts. In fact, aid for seniors, the program for the disabled, veterans' pensions and benefits, some programs for native people, the national employment strategy and famine relief in the world are all exempt from restrictions.

We thus ensure that those most in need will not be penalized and I think that is a very wise choice, because in these difficult economic times, it would be irresponsible to cut more from the resources for the most disadvantaged. More than anyone, they feel the impact of Canada's financial difficulties. Someone earning $60,000 a year can support a $10 cut, but for someone living below the poverty line, this same $10 cut has frightful consequences.

We must clearly understand that Canada's financial situation cannot be seen in isolation. Canada is strongly influenced by the world situation. In this increasingly international world in which we live, when the market economies are more and more interdependent, we benefit when the world economy is well but we suffer when it is doing badly.

There is no use hiding our head in the sand. For several years we have been living through a worldwide recession which Canada, as a major industrialized country, could not escape. However because of the spin off benefits generated from the wide range of initiatives for economic renewal taken by this government since 1984 the Canadian economy is improving and is in a very good position to perform well in the coming years.

For example, according to the OECD's predictions Canada will have the highest growth rate of the G-7 countries this year and next. In the past few months we have witnessed an encouraging turnaround in economic growth, employment, retail sales and several other important indicators. The most vigorous growth was in

our exports which are mainly responsible for the economic recovery.

Strong exports were made possible by a spectacular improvement in our cost competitiveness as well as greater access to the American market under the free trade agreement. This strong performance of our exports will continue to support the economic recovery in 1993–94.

As I said earlier, Canada either benefits or suffers from the global economic situation, but we must also promote trade and encourage policy harmonization on the domestic market.

If the federal, provincial and territorial governments shoot in all directions chances are that nothing great will come out of it. That is why I again applaud the Minister Finance's commitment to working and co–operating with his provincial counterparts.

The money comes from only one source the taxpayer. That is why it is essential that a national cure be found for the national debt problem, as Canadians want. In that sense the federal and provincial governments must work together toward achieving this goal. If the federal government reduces its debt at the expense of the provinces that solves nothing. It simply shifts the taxpayers' burden from one level of government to another. That is simply juggling the books.

Knowing that, the Minister of Finance preferred to play it straight by not cutting provincial transfers, a decision applauded by the provincial finance ministers, including the Quebec finance minister, Gérard D. Lévesque. After the federal budget was tabled, he said: "The federal minister is tackling the deficit with measures that will benefit Quebec and Canada's economy in the medium and long term. For the immediate future, like all governments, he was forced to maintain a delicate balance between the need to sustain the economic growth and his desire to fight the deficit. Some will say this is not enough, but as Quebec Minister of Finance, I am satisfied with these measures", concluded Mr. Lévesque.

• (1805)

Following the tabling of the budget some said that the proposed measures were not sufficient. I believe that we have to be realistic. On the one hand it is interesting to note that our message finally got through and that the public is now aware of the negative impact of a large debt. Now that the citizens of our country are convinced like us of the importance of our efforts, this will certainly help us keep going in the same direction.

For a long time we had the impression of preaching in the desert. However, our tenacity and the firm belief that we were right succeeded in making Canadians more responsible and understand that the debt is not only the government's problem but also their problem as taxpayers. Canadians now realize that the services which they have been enjoying are not free and that it is they who in the end must foot the bill one way or another.

This new awareness explains why some now say that we are not going far enough. To those people I say that based on the realism which has always guided our government, the implementation of drastic measures at this point would have adversely affected economic recovery and consequently federal revenue. As the minister of finance in Quebec said, and I quote: "Every time there are cuts, it affects the economy and this does not help government revenue".

As a responsible government we must take realistic measures which will not affect recovery and especially job creation because this is the way, and it is the only way, that we will be able to reach our goals, namely the reduction of the deficit and the growth of our economy in co–operation with all our partners.

I am therefore very pleased to see that the Quebec government is willing to co–operate with us to harmonize its fiscal policies, and I do hope that all the other provincial governments will follow suit. It is not through confrontation but rather through dialogue that we can make great things happen, and this is very true in the case of the economy.

This budget is tabled at a time when the public has never been so concerned with the expenditures and borrowings of our various governments. This concern is justified. Canadians know that they cannot indefinitely let the debit balance of their credit cards increase and then borrow just to pay interest. They saw what happens when a government behaves as though it was not subjected to the same basic rules of common sense.

What happens then is that taxpayers have to pay more and more for fewer and fewer government services because the interest takes an increasing portion of each dollar in tax revenue. Increasingly heavier taxes slow

down the economy, which in turn impedes job creation. Owners pay higher mortgage rates because government borrowings result in higher interest rates on loans. And higher interest rates have a deterring effect on investors and consumers, which also contributes to slowing down growth and job creation.

Finally, in order to maintain a standard of living which no longer matches our revenue, we rely more and more on foreign lenders. Our country becomes less and less in control of its economy, and an increasing part of our revenue must be used to pay interest to those foreign lenders.

Canadians want to remain in control of their future. They want their government to have the means to maintain essential social services as well as some fiscal flexibility when faced with new priorities.

To reduce borrowing and taxes, increase employment, and expand possibilities; those are the goals of Canadians. It is in this direction that our government has been going since 1984 and we will stay the course. More jobs, a strong and growing economy, and more choices.

First and foremost, we must maintain, and we will maintain, our strict and responsible policy regarding expenditure control.

• (1810)

Since 1984–85 we have made very real progress in an uncertain, changing international climate. We have reduced the annual growth in federal program spending from 13.8 per cent to 4.1 per cent. We have cut the federal deficit as a proportion of national revenue from 8.7 per cent to 5.1 per cent. Thanks to tight spending control, we have changed an operating deficit into an operating surplus, which means that the government is now spending less on its programs and services than it collects in revenue, and this has been the case for six years.

In the past few years a persistent painful economic slowdown throughout the world has forced governments, businesses and households, both in Canada and abroad, to change their future plans. This has accelerated the fundamental restructuring of our economy in the face of global economic change.

To help Canadians deal with the economic slowdown and adjust to world competition, we took resolute measures in the 1992 budget and last December's economic statement. We reduced the income tax on individuals. We improved and restructured the child benefit plan so as to help low and middle income families. This will put $1.7 billion in the economy this year alone. We established the home buyers' Plan to help Canadians buy or build a house with funds in their RRSP.

As I have repeated so often, as responsible individuals we must not leave our children and grandchildren with a poisoned heritage. We have a responsibility to build a strong and prosperous society in which future generations can develop and fulfil themselves when it is their turn to take over.

I will conclude by saying that despite the energetic spending control measures taken by our government since 1984, Canada is still faced with the serious problems of rising public debt and the very high costs of servicing it. If we do not control the deficit we will suffer the consequences. The economy will be weaker, jobs will be even more scarce and it will not be possible to maintain the programs to which we are attached.

Our government has taken difficult but necessary measures. It has the situation under control. It has a concrete way to achieve its objective and, as we see light at the end of the tunnel, I trust that everyone will co–operate to help us so that together we can manage in a reasonable time to reduce and, why not, eliminate this weight that each of us is dragging, namely the deficit.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I could not let the member go without making a couple of short comments.

The way this government has mastered the art of propaganda is unbelievable. This is a government that was elected nine years ago stating that it was going to be the champion of focusing on deficit and debt reduction. Yet here we are nine years later with a debt that has at least doubled in the last nine years.

What is amazing about these speeches this afternoon, and I listened to the Minister of Employment and Immigration as well, is that things are being said like no tax increases, no increases to the deficit and no cuts to

the provinces. The member just said that the government has reduced taxes to individuals. Does this government think that Canadians are stupid?

We have had 33 personal tax increases. Does the government think that Canadians have forgotten about the GST? What does it think when it says no cuts to the provinces? It cut out program spending which helps create jobs and now the welfare payments in this country are ballooning in every province because there are no capital works projects or special recovery projects for people to work at.

• (1815)

The government cut here but there is a welfare expense to the province and then it wonders why there is a provincial debt. This government has systematically dismantled the national government in the last nine years. It stands up all day long and throws out this con job, this propaganda, that all of a sudden it is focused on deficit and debt.

I cannot believe for a second that the member really believes her own speech. If she were to compare what she just said to what the Ministers of Finance have been saying on behalf of this government over the last nine years she will see, and I think Canadians realize, that there is absolutely no consistency and no trust left in this Conservative government from the people of Canada.

[*Translation*]

Mrs. Duplessis: Mr. Speaker, I will tell my colleague from Broadview—Greenwood that I am quite confident this government will be re-elected. When people are in the voting booth and compare how the Liberals ran the country when they were in office and the way we have done, how we had the courage to take tough measures, I am not worried, people will know where to put their X *on the ballot.*

By way of explanation I will tell the hon. member that, when we came into power in 1984 we were left with a poisoned legacy. If we had run things the same way as the Liberals did in the previous 15 years the national debt would now be $800 billion to $900 billion. Because we reduced program spending and administered judiciously we were able to limit the debt growth to $450 billion.

I want to tell the hon. member that we made every possible effort. I would therefore like to give him a few small points of comparison with the former Liberal government and show him how we governed, despite all the constraints we had, like a growing Canadian population and a whole lot of other things.

First, let us compare the two recessions. In the 1980–81 recession the deficit was $14.7 billion. In 1984–85 it was $38.5 billion. It more than doubled in that period; it grew 160 per cent. In 1989–90 the deficit was $29 billion and in 1992–93 it was $35.5 billion. This is an increase of less than one–fifth 20 per cent.

Now let us compare the deficit as a percentage of gross domestic product. In 1984–85 it was 8.7 per cent of GDP. In 1993–94 the deficit will only be 4.5 per cent of GDP, a reduction of 50 per cent. If we compare the growth in spending, the average under 15 years of Liberal rule was 13.8 per cent a year. Since 1984–85 it has averaged 3.6 per cent. Comparing Canada with the United States, in 1992–93 Canada's deficit was 5 per cent of GDP compared to 5.1 per cent in the United States. It is expected that in 1997–98 Canada will have a surplus equivalent to 0.1 per cent of GDP, while the United States will still have a deficit of 2.5 per cent of its GDP. Does the member want me to continue?

[*English*]

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I am happy to see you in the chair although I am sorry to afflict you with what I am going to have to say. You never know, I might convert you.

I have been through a number of these budget debates since 1968. I have listened to Conservatives kicking the heck out of Liberals about what they were doing in their budgets. Boy, the whole country was going to grind to a halt over what they were doing, to hear them tell it. They were very specific.

• (1820)

When they got through with that, I will be darned if they did not get elected. The next thing we know the Liberals are in opposition and the Conservatives are in the government.

As one might expect, the Liberals asked the Conservatives exactly the same questions.

Mr. Heap: The Conservatives gave them the same answers.

Mr. Benjamin: Yes. They were doing exactly the same things.

I rushed over from the committee meeting and got some notes which I am not going to use. While I was in my office I had the TV on. There was a member from the government side talking about food banks. If there is anything a Tory should never talk about, it is a food bank.

Mr. Heap: Hear, hear.

Mr. Benjamin: He was complaining about how the Liberals caused them. They both caused them. As a result of the economic policies of consecutive Liberal and Tory governments we have been afflicted with food banks. The member who spoke from the government side said they are being closed down. I would sure like her to find me one. If she can, it will only be closed because it could not get enough funds and supplies to keep it open. It would be for no other reason.

Government cabinet ministers have talked about 200,000 new jobs created but I still do not know where they are. A whole bunch of my constituents have not been able to find them and it is not as bad in my city as it is in the cities of both of my colleagues here.

Let us go into this business of deficits and debts. Any government of any political stripe that becomes so hypnotized, terrorized and mesmerized by the size of the current deficit and the accumulated debt becomes immobilized.

If we learned nothing else from the dirty thirties it was that it was the time one spent money one did not have. The current taxpayers and their successors, their children and grandchildren, would have to pay it off.

For a fundamental civilized Christian reason we do not treat people that way in tough times. We just do not do it. Much fuss has been made about the $450 million or $480 billion of the current debt of Canada and the current deficit of $35.5 billion that will get added on to the national debt.

What else is new? I want to say something. I am a child of the dirty thirties. Successive Conservative and Liberal governments in my poor begotten province did not pay their bills. They lost the store. In fact, they bankrupted the whole province.

An hon. member: Why?

Mr. Benjamin: They did not pay their bills that had accumulated from previous years. They should have borrowed some more money, put people to work and then they could have paid their bills.

I am just an ordinary prairie country boy. I am not a fancy economist or financier but it just seems to me that it makes common sense.

• (1825)

Some of the national debt goes back to 1930 because governments in those years could not make their payments and they piled up. They would put out another bond issue to pay off the previous one. If we took that and all the debt that was accumulated during the war at the end of 1945, added up the total national debt and translated in 1993 dollars it would be just as high or higher than it is now. What else is new? We have been through this before. We have to rely on the people, put them to work and the national government has to provide the leadership.

The hon. member for Vegreville, the Minister of Finance, is a good friend and an easy fellow to like. He and I are colleagues from the class of '68. He looks a heck of a lot younger than I do and I am not sure if he is. I never thought I would live to see the day when my hon. friend from Vegreville, the Minister of Finance, would sound like R. B. Bennett and Mackenzie King of 1935 or 1938. The government has not learned anything in 60 or 70 years, in fact it has never learned anything from experience. It does not have to believe me. It does not have to listen to the NDP. It does not have to listen to those terrible socialists.

In country after country in Europe it was the socialists who bailed them out of their economic and financial mess. In 1944, when members of the old CCF—bless their hearts—formed the government led by Tommy Douglas the accumulated debt went back to 1930. In fact two issues of bonds were defaulted upon as the Tory and Liberal governments could not make the payments and the federal government had to step in and pick them up. There were those debts from the dirty thirties plus what happened in the Second World War. Most of the taxation ability went to the federal authority for the war effort which nobody complained about and the provinces starved.

From 1930 to 1945 the deficit of the province of Saskatchewan was as big as it is today. Today thanks to the beautiful blessings of one Grant Devine, the late unlamented premier of Saskatchewan, our debt is now bigger than it was then. When Liberals and Tories talk to me about running governments according to sound business practice, the only kind of business they are in is misleading the people of this country and ruining the economy of this country.

I will not be here much longer. This is my last term but I have listened to the same damn thing every bloody year since 1968. I do not ask anybody to believe me, listen to me, pay attention or do anything about anything I say. I ask them to look at what has happened while they were here. If we do not learn from history and from our own actions we are condemned to repeat them and the government is repeating these in spades.

• (1830)

This budget does nothing about the deficit or debt. Why? Because in the traditional old-line party practice in tough times everybody has to be careful and cut back.

I look at the financial pages. I inherited some shares in a company that was supposed to be going great guns. It is in a resource industry. I think they should call it "the dry hole drilling company". It has gone from $10 a share down to I think 13 cents now.

That is what has occurred under private enterprise governments. Their friends who have those shares made a bundle. They bought them at ten bucks. I refuse to buy stocks. I inherited the ones I have, a whole 100 shares. I have fun looking at the financial pages. I have begun to look at other issues of bonds and stocks.

There is the whole issue of privatizing. It is terrible for the government to own anything. It is going to privatize Air Canada for example. It conned 4,000 employees, even though I told them not to, into buying shares at ten bucks a share. It told them of the glories of free enterprise, profits, dividends, *ad nauseam*. You will be lucky, Mr. Speaker, to get three bucks for those shares. If you can get three bucks for them and if anybody in this place has them get rid of them quick.

We have been in the hands of incompetents. When they talk about governing according to sound business practices I would not let them manage my chicken coop if I had one. I am not just criticizing the government. I say the same thing about the Liberals. They were masters at it.

When the Liberals got excited about the deficit and the debt they made some cutbacks. Not as many as we have today but for those days there were quite a few. You should have heard those stories. They were up screaming their heads off about those cutbacks. They raised hell. They moved want of confidence motions. The cuts were as welcome as a skunk at a garden party. That is how they acted.

Then the Tories defeated the Liberals, as if that was a big deal. I will be darned. The next thing I know the Liberals are getting up raising heck about the Tory cutbacks. Talk about pots calling kettles black. That is a little much. They sure did not fool us fellows down at this end of the Chamber. I do not think they fooled many people in the country. When I go to Gopher Gulch and Grasshopper Flats and when my colleagues go back home to their people or when they travel around this country, we find it is not being swallowed. It is not being believed.

• (1835)

We have moved a subamendment. It is not only to try to defeat the government. That is a minor detail. That is going to happen anyway, if not this year then next year, whenever. It is not long for this world. We moved on a basis of some kind of principle and policy. We are having a little difficulty with the Tories enunciating policy because they are victimized with the present government, especially Tory candidates for the leadership. They are a little bit hard put to announce policies. However I do not hear any nuts and bolts policies from the Liberals. I have listened to them for, God knows, 45 years, my membership in the NDP. In fact, the Liberals forced me into joining the NDP. They forced me. After I got out of the Armed Forces after the Second World War, I said: "My God, it's the only place for me to go". They drove me out, and they still drive me out.

There is nothing so obnoxious as a reformed sinner. If the hon. gentleman had just told me to come back, I would ask come back to what? He did not mind telling me to come back to what. If it is different from what we have got now I will be glad to listen to him.

It was no great move philosophically for somebody to move from the Tories to the Liberal Party, and vice versa. In the years I have been here I have seen a whole bunch of them do that. They can do it without even blushing. They do not even know how to do it the right way. The first thing you do is tell your leader, your caucus and then your own membership. Then you resign your seat and run for re-election with whatever new party you have chosen. That is called honour in politics. You wonder why Joe Citizen says "those damned politicians". That is one of the reasons. You have got the ethics of a tomcat that just came out of a back alley.

If I ever had to part company with the NDP—I do not think it will happen, I hope it never will—I would let the party know ahead of time at the national, provincial and federal levels. I would have the courtesy to tell it and then I would quit and get out of the way. Let it do what it wants to do because it would not listen to me before. That should apply to every member of any party.

Some people say we need a two party system. If it were a choice between the Grits and the Tories that would only be a one party system. The communists could take lessons. There is no fundamental basic philosophical difference between them. One wants to do "open for business, free enterprise, marketplace" quicker than the other.

Somebody should tell me what the difference is. When I said that those governments of any political party are hypnotized, I meant it. When they become so hypnotized, so mesmerized and so terrorized that they become immobilized then they have lost sight of the fact of why they are there, what they are there for and what they are there to do.

• (1840)

When the good times come is when to put money in the bank through taxes and whatnot. "Save for the rainy days", my mother always said. When it is bad times you share with all your fellow Canadians what it costs in order to have all of them live decently, in a decent home, with enough money for food and full opportunity for their children. We share that. If we are not going to share it we become the old 19th century jungle.

This budget puts us and keeps us in the jungle. I would be glad to pay an extra 1 per cent or 2 per cent or whatever on my income tax if I knew it would go toward that purpose. Nobody objects to the amount of taxes they pay if they know what they are going for and who they are going to benefit.

Today at a committee meeting there were a couple of individuals who make more than $250,000 a year. The poor fellows. When I see them I see corporations that make a profit. Even after their write-offs they do not pay any taxes. Now that is not totally unjustified and unfair. It was not just done by this government. The Liberals were saddled with it. In fact I think they started it.

An hon. member: 1974.

Mr. Benjamin: It goes back farther than that. They started giving those kind of benefits to corporations in the late 1930s and the early 1940s.

We are not going to be a party to this by either party. For all I know the Liberals are going to vote for our subamendment. I hope they do not because then I will worry about what we are doing wrong.

The Acting Speaker (Mr. Paproski): The hon. member's time has expired. I will let him have another 30 seconds to wind up.

Mr. Benjamin: I implore Canadians to bring down this government and prevent a Liberal one from taking its place.

Mr. René Soetens (Ontario): Mr. Speaker, I rise today with pleasure to participate in this budget debate for a number of reasons. Hopefully, over the—

Mr. Benjamin: Mr. Speaker, on a point of order. I understand there should be a 10-minute question and answer period. Is no one going to ask me any questions? I would love it if they would. If they have any curve balls they would like to throw.

The Acting Speaker (Mr. Paproski): I am sorry, but there are no questions or comments.

Mr. Soetens: The reason I am participating in this debate is to talk about some of the good things in this budget, some of the things that have probably been mentioned by some of my colleagues and some of the things that have been opposed by some of those on the other side of the House. I would like to very briefly run through what I think are some of the highlights of the budget.

• (1845)

One of the first highlights in my opinion is the fact that there is no tax increase. I believe this is our third budget in which we have been able to do so. I have been here for five budgets. I feel quite comfortable in saying that we did not raise taxes in this budget, we did not introduce any new taxes in this budget and this is the third year we have managed to do that. In fact last year we reduced taxes in a number of areas. I wish we could have done that again this year.

For those who might say there were no tax changes simply because it is an election year, I can only refer back to last year and the year before and point out there were no tax changes in those years either.

Basically there are no tax increases in this because we on this side of the House understand what our constituents are saying and that is no tax increases. I am happy to say there are none.

There is another very positive aspect about this budget. There is no real growth in spending. I sent out a questionnaire to my constituents called "You be the finance minister". I asked them to tell how they would spend money if they were the finance minister.

Consistently the responses that came back to me were to freeze spending. In some cases they would have a little more in one area, offset by a saving in another, so that the bottom line remained the same. I am happy to report that this budget does exactly that. It freezes spending, the total amount, at what it was last year so there is no real growth in spending. Personally I think that is a very positive situation.

It goes a little further than that though as far as my view on this budget and why it is positive. There are some real important changes in this budget. There is one change that is in here that I might point out. If some member would like to ask me a question in a few moments about the helicopter contract, I would be happy to respond as to why I think it is such a good idea that this budget does not touch the helicopter contract.

Over and above that there are things it does touch and I would like to really emphasize those, such as the need for provincial co-operation. The deficit and debt of the Government of Canada are not just a problem of the federal government, but a problem that all the provincial governments have as well. What we have done with this budget is to say look let us bring everybody together, discuss the areas where we have a problem and see if we can arrive at some common solution between us. I think that is very positive.

There have been some cuts unfortunately but some of the cuts I do not have a problem supporting. For example the ERDA agreements. We hear the business community all the time talking about cutting grants to business. Lo and behold what did we do? We cancelled, we stopped funding the forestry economic agreements, the mining economic agreements. These are agreements which put taxpayer funds into private enterprise. We have cut them. It is interesting now that the business community affected by those cuts is complaining but that is the way life goes. Everybody expects you to cut, just not in their area.

More important, we have also signalled to all the provinces affected with the various economic development agreements that when their particular agreement comes up—there is a list of 10 or 12 of them—for renewal those in fact will be looked at and discussed and simply not automatically renewed. I think that is very positive.

We have talked about Public Service reform. I note Bob Rae in Ontario is talking about how he is going to cut 10,000 employees out of 900,000. He says Tories in Ottawa do not know how to do it. Well, 10,000 out of 900,000 versus our proposal for 16,500 out of 250,000. It seems to me Bob Rae has not got it quite right. To have the same equation he ought to be looking somehow at finding 50,000 or 60,000 jobs in the public service in Ontario that are not needed.

In fairness they may be needed and maybe Bob Rae cannot find more than 10,000 but if he is going to criticize our cuts he ought to look at the actual numbers to determine whether we are doing our share. I am happy to report that we are.

There are some other changes. There are the changes in the freight rate system we have in this country such as the Crow rate. I appreciate that does not affect my constituency. It is a very important benefit that we have established in this country for western Canadian grain farmers. We have said we are going to review that, we are going to see if there is some better way of helping grain farmers. That is a very positive thing to do.

Right now all we do is give that money to railroads. Maybe we ought to give it to the farmers to let them figure out if there is a better way of them bringing their

product to market than using the railroads, That is healthy and puts a little competition against the railroads. I bet there are some trucking companies that would be quite prepared to say that they can haul the grain for less than the railroads. That benefits everybody if one can create some real good competition.

• (1850)

What does the end result of this budget bring forward? It brings forward a very important aspect of the debt and the deficit in this country. Deficits are of course a function of one's ability to pay. Our ability to pay has been improving. When we were elected the deficit as a percentage of the gross domestic product was over 8 per cent. This budget foresees that at the end of the next period of fiscal responsibility, which is a five-year phase, we expect that to be down to less than 1 per cent. That is a very positive step toward getting rid of the deficit that we have in front of us. We can better make the payments.

What is the opposition's alternative to that 1 per cent target? Its alternative is that we should have a 3 per cent target. That is certainly better than it is today. Today we are approaching 4 per cent. They think it ought to be 3 per cent. I commend them for that but why do we stop at 3 per cent? Why in this country should we be happy with a deficit of $25 billion or $20 billion a year? It was that mentality of the 1970s that got us into the 1980s and into the 1990s with this huge debt we have. There is this idea that it is okay to have 3 per cent of the income as a deficit. That is unacceptable.

I see in this budget that the Minister of Finance is very clearly saying that as we go out for the five-year period we are not only going to be below 4 per cent, the 3 per cent Liberal target and the 2 per cent target, we are going to have it down to less than 1 per cent.

What do all of those things do to the Canadian economy? We have had some discussion in this House about the forecasts that exist by various monitoring agencies about growth in Canada. I am happy to see that the International Monetary Fund is forecasting a growth in Canada of 4.4 per cent next year, which is the highest rate of growth of the seven major countries that they compared us to: United Kingdom, Italy, France, Germany, Japan and the U.S. None of them have a 4.4 per cent growth. We are number one next year in the forecast and of course for 1993 we will continue to be number one.

There are two other areas that I would very briefly like to touch on which emanate from last year's budget and that in a sense were responded to in this budget. Last year the finance committee did a review of the issue of quarterly instalments that people would have to pay if they owed income tax of $1,000 a year or less.

We recommended that level be raised. Now Canadians who owe $2,000 a year or less in income tax do not have to file quarterly instalments. That is a very direct recommendation that went to the Minister of Finance from the finance committee and, lo and behold, he delivered. It is very positive and very good for a lot of Canadians whether they are seniors or low income Canadians. In Canada it affects an awful lot of people very positively.

The second thing he dealt with was regulatory reform. In last year's budget the Minister of Finance asked the finance committee to review the process of regulatory reform in this country because it impacts on Canadian business and ultimately in the cost of everything Canadians buy in this country.

The finance committee set up a subcommittee that I chaired. I am happy to say that we issued a report back in September and filed it through to the House. The President of the Treasury Board today responded to this as a direct result of the previous budget. People will find that the Government of Canada has again listened to the problems and concerns of Canadians and the impact that they can have on business. Today we have a very positive response about changes they can make to the regulatory process.

Those are some of things that have caused me to be very positive about this budget. There are really many others. The ultimate feeling I have on this budget is to emphasize that the Government of Canada said no to spending increases, no to tax increases and yes to fiscal responsibility.

That is what I believe in and that is why I am here. I am glad to be able to support this budget because of that.

Mr. Stan Wilbee (Delta): Mr. Speaker, I was very much impressed with the presentation of the hon. member. We were listening carefully to those very good factual comments he was making. He mentioned that he does

favour the purchase of helicopters. This has been very controversial in Canada. Personally I also agree with it. Could he perhaps enlighten us further as to some of these very valid reasons why the Canadian government should proceed with the helicopter purchase?

• (1855)

Mr. Soetens: Mr. Speaker, I appreciate that question. Right through my years of political involvement and in advance of that, I have always had the opinion that Canadian forces should have some of the most modern technology available. Part of the reason I had that opinion was because there were spin-off benefits to Canadians by having them supply modern technology.

I would just like to share a letter I received from one of my constituents in a business in Whitby called Andrew Canada Inc. It employs 154 people and has been located in the town of Whitby since 1953. It provides, among other things, communications technology to the helicopter program. It says, to be very blunt:

> We are currently negotiating a contract to design, develop and manufacture airborne radar antennas for the helicopters. Through technology transfer agreements related to the program we will acquire new, specialized skills and know-how which will not only enable us to fulfil the helicopter contract, but will also allow us to become recognized participants in the future airborne antenna market world-wide. The benefits of the program to us are potentially long term in excess of 15 years.

I should point out that there is a further benefit because I know that that is great for my riding. The letter goes on to say:

> Technology benefits will also flow down to our intended subcontractor in the maritimes, who will acquire new techniques for the fabrication of antenna reflectors.

I am happy to see that my concept of government buying technologically advanced pieces of equipment has the benefit of first giving our forces the proper modern equipment they should have, but secondly and more importantly, providing spin-off benefits. Very clearly here is a case in point where there will be spin-off benefits that will enable Canadian companies to be competitive world-wide with technologies.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The hon. member for Cambridge. They have split their time, just for the benefit of the hon. member for Winnipeg—St. James.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, it is my pleasure to participate in this year's budget debate.

I believe that the budget presented a couple of evenings ago is a credible fiscal plan with very realistic objectives. I think in recognition of the need to further enhance Canada's competitive position and the economic recovery, as my colleague mentioned just a few moments ago, the budget included no new taxes.

Another benefit I thought in the budget was that the fiscal plan features tight control over program spending with the growth held to the rate of inflation. In other words there is no growth at all in real terms.

My colleague, the member for Ontario mentions the finance committee. Two years ago our committee work included the development of the Spending Control Act. That resulted in a 3 per cent cap on the growth of program spending. This meant if expenditures on a program rose above the projection that it would have to be offset by reductions elsewhere.

The Spending Control Act did not allow increased borrowing or increased taxes to fund spending that was higher than planned. That was two years ago with a 3 per cent cap.

Of course we all know that as a result of this government's policies inflation now is below 2 per cent. I thought it was probably a good idea that maybe we should take a look at lowering this cap. That was my main recommendation to the Minister of Finance in the discussions leading up to the preparation of the budget. I am happy to say that he did listen.

I believe the new target that will be established will be 1.7 per cent. If we were to take a comparable figure from the U.S.A., it is 3.3 per cent. By putting controls and more caps on spending this will result in a savings of almost $3 billion by 1995.

People will ask whether this is a realistic target. I believe it is. The proposed spending control limit last year was $100.1 billion for the 1992-93 fiscal year. For that fiscal year the Minister of Finance presented main estimates of $99.1 billion. As such the 1993 budget presents a fiscally responsible plan that will deal with the federal deficit.

• (1900)

As acknowledged by the Minister of Finance there is only one taxpayer to foot the bills. The fiscal problem is a national problem that must be addressed by all levels of government working together.

Passing the federal fiscal problems on to the provinces would not have been productive especially from a taxpayer's point of view. Therefore the 1993 budget could have cut deeper and more quickly but this inevitably would have required substantial cuts in the major transfers to provinces.

However, in recognition of the fiscal difficulties that provinces are confronting the federal government chose to exempt transfers to provinces from further restraint. Instead of cutting transfers to provinces the budget laid out a process that will lead to a combined federal-provincial approach to our national debt problem.

Why has the Minister of Finance in recognition of Canada's collective fiscal problem asked his provincial counterparts to attend this special meeting? The purpose is to begin working with the federal government on a co-operative approach to developing practical solutions to the national debt problem.

I want to put a few facts on the record. In 1984-85 the federal deficit was $38.5 billion. In this year's budget it is $35 billion. In essence it stayed the same in dollar terms. The total deficit of all the provinces in 1984 was just slightly over $8 billion. Today the deficit of all provinces is $24 billion, which is a 300 per cent increase.

The message is that the provincial administrations now show the same symptoms that plagued the federal Liberals in the early 1980s: a combination of large deficits, growing debts and rising debt charges that mutually fuel each other.

Let us look at some of the pressures that were on governments to spend prior to today. We know for example that between 1975 and 1990 the combined health, social services and education sectors represented a large and growing source of spending pressure.

Relative to total program spending between 1975 and 1990 these health, social services and education costs rose by almost 5 percentage points as a percentage of gross domestic product.

What other factors have resulted in an increase in the GDP share of spending? First, we all know and recognize the growth in interest charges on the public debt. A second one is the growth in health care spending primarily reflected in the growing per capita demand for medical services.

When we talk about health care spending, what are some of the factors that are causing health care spending to increase? First, we have the aging of the Canadian population. We are seeing new medical technologies which result in new treatments. We are also seeing the growth in the number of services per physician within a system that pays physicians on a fee for service basis.

That is the past and we all recognize those pressures on spending. What about the future? Where are we going to see the future pressures on spending? One will be because of changes in demands for existing programs. For example, the aging of the population will continue to increase and as a proportion of the population the demand for medical care and age care facilities will clearly increase.

At the same time there will be a drop in the age of university students that will result in lower university enrolment. We are seeing the same pressures, because of the economic restructuring, on unemployment insurance, in the Canada Assistance Plan and in labour market training.

People want to see more money spent on environment and justice issues. We have some things that are going to lower the cost to government such as falling interest rates, falling inflation and certainly the increased public concern on the over-all level of taxation.

What I want to do is quickly summarize. The spending pressures I have mentioned on health care, education, employee retraining, environment and justice are all issues that are a joint responsibility between the provinces and Ottawa. In many cases Ottawa is just a silent financial partner. It makes sense to me that if we are going to deal with these spending pressures, does Ottawa do it unilaterally? Does the finance minister just say that this is the way it is going to be and download the problems on to the provinces? Or do they want to work together?

• (1905)

I congratulate the finance minister who has demonstrated the desire to give co-operative federalism a chance to work and an opportunity so that all governments at all levels can move in the same direction in reducing the debt and encouraging economic growth.

I trust that in that forum the moral suasion of the taxpayers will encourage the federal and provincial finance ministers to succeed together.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, one really has to wonder why the finance minister brought in his spring 1993 budget. It is completely lifeless. It has no imagination, no ideas, no strategy to address our pressing economic problems and no hope for the 1.5 million unemployed Canadians.

It shows beyond all doubt that this government has run out of gas. It is old and tired. The only thing left is for this government to be put away into the history books. I am confident Canadian voters will do just that in the coming election.

This budget must be particularly galling to the few remaining supporters of federal Conservatives who believe the government was serious about attacking the deficit. The budget does nothing about deficit reduction. In fact it forecasts an increase of over $1 billion in the deficit.

To many of us, however, that comes as no surprise. This government has talked big about deficit reduction, almost from the first day it took office in 1984. Consider the fact that the deficit is $8 billion over its 1992 projection, a projection given by the finance minister. Right now it stands well over $30 billion. In the meantime our debt under almost nine years of Tory rule has shot up well over 100 per cent, from about $169 billion to almost $460 billion.

This government has howled long and hard about the deficit it inherited. That may well have been fair at the time it took office, but the government cannot avoid its responsibilities. It has had nine long years to deal with our deficit and debt problems and in that regard it has failed miserably. Blaming politicians from another time just does not wash.

The 1993 budget does absolutely nothing to address the severe problems of unemployment. There are at least 1.5 million Canadians out of work and I suspect the real figure is well above that. There is no hope for the unemployed in this budget. There are no attempts at job creation, no strategy to get people back to work. Let us face it. Until we dramatically reduce unemployment there is no hope of returning to prosperity and attacking the deficit in both absolute terms and as a percentage of the gross domestic product.

Over and above the pain they inflict on workers and their families the huge unemployment figures are damaging to the economy. It is estimated the cost of one million unemployed Canadians is somewhere between $20 billion and $25 billion annually. A big chunk of that is the payout through unemployment insurance, $19 billion a year right now. That is a huge cost to our economy. Think what we could do with $19 billion if the unemployed were working. I should say here that the $19 billion does not include welfare payments.

Moreover, if we create jobs for the unemployed they in turn will regain their rightful status as productive citizens. They will pay taxes on their earnings. That is how the government will be able to reduce, if not totally eliminate the deficit.

• (1910)

Economic growth and creating jobs are the essential tools in attacking the deficit. Another tool is controlling government spending and eliminating waste is part of that. This government believes only that cuts in government services promise a return to prosperity. That is not true. Without economic growth, without creating jobs, this economy is not going anywhere. It can talk all it wants about increased productivity but if we do not get economic growth and we do not get more jobs, the economy is not going anywhere.

Canada needs a new vision. Canada needs new fiscal management. The old Tory crowd does not have it. They are over their heads. At a time like this my advice to the government is quite simple: Stand aside and let someone with ideas and vision take over.

We have a vision. We have proposed, for example, an infrastructure program to pump some life in the short term back into the economy. A renewed physical infrastructure is one of the building blocks of a new prosperity. We have proposed a national apprenticeship program. This would involve the co-operation of senior govern-

ments, the private sector, labour and educational institutions.

The private sector needs trained young workers. Many students grow disillusioned with the traditional school system. I should point out that Germany graduates about 600,000 apprentices a year while we graduate only 24,000. An apprenticeship program would be a challenging alternative for many of these students. It would help them make the transition from school into the work force.

We also propose a Canada youth service. This program would enable young people to give service to their country and develop essential skills and work habits in the process.

We would build a value added economy. That is the way of the future. We are far too prone in Canada to market raw materials. When we ship raw materials out of the country for processing, we are shipping jobs out of Canada. That is why we assign so much importance to value added activity.

We would revitalize the small business sector. While the government has been cosying up to big international business, small business has been neglected. When the government was killing the economy with high interest rates and the high dollar, the pleas of small business were ignored. Ask small businesses about their problems in getting financial assistance from banks or other financial institutions. We are committed to addressing that problem.

We are also committed to a global trade strategy. I emphasize it is a global trade strategy. Beyond our difficulties with the free trade agreement, our trading interests transcend the United States. We must look for trade growth in Latin America and the Pacific Rim.

Another move we Liberals would make, and this perhaps is the most important of all, is that we would forge new partnerships with all stakeholders in Canada. That includes the provinces, the private sector, labour, the municipalities and volunteer agencies. We have thought long and hard about this new approach to our problems because the Tory approach has been a disaster.

Leaving it to the big boys does not work. Trickle down does not work. It did not work in Britain. It did not work in the United States, where trickle down took that country from the greatest creditor country to the greatest debtor nation. That took only eight years under that dreadful actor from Hollywood.

Perhaps the most disturbing aspect of the finance minister's budget is its central message and that message is this: Tory economics work, everything is okay and the government is not changing a thing, it is staying the course. It is that message that tells us just how out of touch this government is.

I want to remind everyone that there are at least 1.5 million Canadians unemployed. Almost 400,000 manufacturing jobs have been lost, lost forever. There have been over 200,000 business and personal bankruptcies since 1989 and about one million Canadians depend on food banks every year. Despite the havoc wrought by Tory policies the finance minister pays no attention to them. If he had admitted to even some self-doubt perhaps his budget would have received more understanding.

Marshall Cohen, the chief executive officer of the Molson companies, recently questioned the standard faith of neo-conservative economics. That faith says that the current economic restructuring will pay off, that ultimately for every job eliminated two will be created. Mr. Cohen says it is time to question that faith and it is time to think that Canada is not heading for a jobless recovery but a jobless economy.

• (1915)

I think Mr. Cohen is in touch with reality. This government's finance minister is not. His mind is elsewhere. There is no indication that he will ever come to his senses. There is only one remedy for this. All Canadians know what that remedy is and I think they are more than eager to apply it at the next election.

I want to finish by saying that the budget cuts about $90 million from regional development in the current fiscal year and another $100 million in 1995. To me that is madness. Regional development has been a unique Canadian way to develop the economy from coast to coast. It has been of particular help to the have-less regions. I come from a have-less region.

In Winnipeg we have called for a new core area agreement. This budget is not going to give us that. We have called for a new cultural industries agreement, something like the one we had a few years ago, one that created a lot of jobs and provided a lot of spin-offs in the economy. It looks like we are not going to get it. This budget does absolutely nothing for the port of Churchill,

a port that must be preserved and if preserved would be a great help to prairie farmers.

I will conclude by adding one comment to a remark made by the member for Ontario. He boasted about this budget taking 300,000 Canadians off the list who until now have paid quarterly income tax instalments. He is right that far. What he neglected to say is that while the government is proposing to take 300,000 people off that list, the government has added 500,000 new names to the list of those who have to pay quarterly tax instalments. I wanted to mention that in order that his remarks are put in their proper context.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I would just like to put a few comments on the record about employment.

The manufacturing sector in Ontario has begun to see the recovery. Since October manufacturing employment has risen by 2.5 per cent or 42,000 jobs in Ontario. Since August 1992 in Canada full-time employment has increased 200,000. So far this year full-time employment has increased 66,000 across Canada. At this pace that would represent a 260,000 job increase. I wanted to put those comments on the record.

I would also like to put this comment on the record. This comes from Conestoga College. It is a release indicating its graduates are doing well in securing employment. It says: "The 1991-92 graduates of Conestoga College did well in locating and securing employment within six months of completing their program of study. Of the 838 graduates available for employment, 694 almost 700, or 83 per cent were successful. In spite of the economic uncertainty employers continue to demonstrate their confidence in our program by hiring Conestoga College graduates. Eighty-two per cent of our graduates found employment, 62 per cent of them directly related to the their programs".

This is excellent news in these times of high unemployment. Conestoga College in Kitchener is doing an excellent job in producing graduates. I wonder if the hon. member wants to congratulate the students in their success, but also all those companies that are starting to grow, making employment for these graduating students.

Mr. Harvard: Mr. Speaker, I am always prepared to offer my congratulations to anyone who is able to prosper in this country, to do well despite Tory economic policies and that is what is happening. A lot of people out there are showing plenty of resourcefulness and industry despite the disastrous policies of the government.

• (1920)

Let me just say that this member and all other members on that side of the House can crow about certain success stories. That is fine in itself, but we are not going to have true prosperity and success in turning the economy around until we get people back to work. It is a Pyrrhic victory. That is what it is.

The member for Cambridge mentions those figures. They are happy figures. I am happy for them, but we have to address unemployment. Until we get the unemployment figures down we will not get the deficit down, we will not get the debt down, and we really will not have a return of prosperity. That is where the government is wrong. It does not seem to understand that until it attacks the unemployment problem this economy is never going to go anywhere.

Having increased productivity and increased trade figures is only a partial answer. It does not answer the misery people are feeling out there. There is a lot of despair because they do not have jobs and they lack confidence in the future.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, this budget is nothing more than a stale leftover from last December's failed economic statement, twice warmed over and reheated. In fact in the dying days of this Conservative government I cannot help but think of this budget as one of the first signs of rigor mortis setting in.

There is absolutely nothing in this budget that will get the economy moving again and will put Canadians back to work. Canada's 11 per cent unemployment is the highest of any G-7 country. There are 1.5 million Canadians still looking for work and suffering hardships in society that they should not be suffering in this day and age.

On page 21 of the budget the Minister of Finance says:

> The medium-term projection underlying the fiscal plan is based on the assumption that some excess capacity in labour and product markets will remain through 1998.

That is little hope for the unemployed. In plain English this has made it clear there will not be enough jobs for Canadians five years from now if this government stays in office.

Studies have confirmed that unemployed Canadians cost the federal government more than $20 billion a year each and every year this government remains in office. These unemployed people are not able to contribute to society, contribute to our economy and feed back through the system.

In 1991, 1.4 million Canadians were out of work and last year 1.5 million were out of work. If over the last two years half these people had been working, the government would have saved close to $40 billion. That is $10 billion more than this budget proposes to cut mostly four or five years from now.

Nor is there anything in this budget for Canadian youth who already face dismal summer job prospects. Youth unemployment is currently at 17.6 per cent. With this budget the government is now telling Canadians that it is going to solve all of its economic problems by assuming strong economic growth. Yet the government has no detailed economic plan to nurture innovation, training and infrastructure, the building blocks of a strong and prosperous economy.

However the government's own budget document states that projected growth "will not bring the economy to full capacity utilization for 1998". In other words, Canada is still in for five more years of recession-like conditions with economic activity at levels well below that of the 1980s.

There are no economic priorities in a $5.8 billion face-saving gesture for the Minister of National Defence. The budget keeps Canada's helicopter program intact, and meanwhile the Tories are stealing from the poor by postponing their January GST tax rebate.

The 1992-93 deficit is $8 billion higher than the Minister of Finance said it would be in the February 1992 budget and $1.1 billion more than he said it would be in his economic statement last December.

No wonder the dollar is dropping. No wonder there are questions about our credit rating. Not even Bay Street believes this government any more.

• (1925)

In 1989 the government forecasted a national debt of $440 billion in 1993-94. Now it is forecasting a debt of $491 billion. That is an increase of $51 billion over the last three years in its forecast. In fact the $35.5 billion deficit for 1992 is the highest deficit ever reported in the House of Commons. In 1984 when the government was first elected there was an accumulated debt of $168 billion, accumulated in the 117 years since Confederation.

However, after only nine years of this government's mismanagement, the debt ballooned to $458 billion. So much for fiscal management and the Conservative 1988 election slogan of "managing change".

This economy is not a gambling table. We need solid forecasting. We need solid projections. We need solid growth in this country. It cannot be achieved through the roll of the dice. So much for fiscal management.

The government claims the budget will deliver $30 billion in spending cuts and other measures. Only $3.8 billion is forecasted to be delivered in the upcoming fiscal year. Out of that $2.8 billion was already announced in December and $615 million is only a shift in the timing of the GST credit. Calling that a saving is like skipping December's mortgage payment and claiming in January that money has been saved.

The projections of the Minister of Finance confirm that the Conservative leadership candidates, the Minister of National Defence and the Minister of the Environment, were out to lunch when they promised to eliminate the deficit in four to five years respectively. Either that or the leading Tory leadership candidates are saying the Minister of Finance does not know what he is talking about.

More than the Minister of Finance do not know what they are talking about. The candidates do not know what they are talking about. Unless they come out with some creative new programs that will stimulate the economy it is going to get even worse.

There are no positive viewpoints. I should say that perhaps one of the things that might be close to being positive would be that there are no additional cuts to the federal-provincial transfer payments. Three hundred thousand Canadians, mostly senior citizens, will no longer have to pay income tax in quarterly instalments. I was pleased to see there were no further tax increases.

However, after 38 consecutive tax increases by this government, this commitment is a case of too little too late.

Since 1984 revenues collected from persons have increased by 126 per cent while revenues collected from corporations have increased by only 1.8 per cent. This budget does not improve that. It offers yet another series of measures designed to save corporations $400 million over the next five years and no similar tax break for ordinary Canadians.

I do note in this budget document the government finally recognizes that since 1984 Canada has been buying more goods and services from other countries than we have been selling and thus we have had record current account deficits. I have spoken about this in the House before on at least three or four different occasions. Last spring Canada was running a record current account deficit of $29 billion. In 1984, before this government was elected, the current account deficit did not exist. There was a current account surplus of some $2.7 billion.

We have not had a single quarter, let alone a single year, in which we recorded current account surpluses since this government came to power. Arthur Donnor, a prominent economist, argues that each $20 billion worth of current account deficits equates to roughly 500,000 jobs lost. Now we know where the jobs went. It is the current account deficits.

The interest payments and the dividends going out of this country are draining our economy, a haemorrhage that must be stopped.

In terms of agriculture I was shocked to read the budget papers because I saw what was happening to the method of payment of the Crow. I am going to put on record a letter from Prairie Pools Inc. It says that the federal budget is a coercion. It is dated Monday, April 26, 1993. I quote:

> The Federal Government's plan to cut an additional 10 per cent from its expenditures on western grain transportation assistance unless there is a change in the method of payment amounts to coercion of western grain and oilseed producers.
>
> "It appears to us that since the government has not been able to get agreement from farmers to change the method of payment through consultation, it has decided to force the issue with spending cuts," said PPI Chairman Ken Edie.
>
> The federal budget indicates that on top of the 10 per cent cut announced for 1993–94—another 5 per cent will be cut in 1995–96 and another 5 per cent will be cut in 1996–97. However, it also indicates that these cuts could be reallocated to support a change to a producer payment for the federal assistance.
>
> The 10 per cent cuts announced in the December economic statement will remove $73 million from the prairie agriculture industry in each of the next two crop years. The additional cuts announced in the budget today would take another $65 million out of the prairie farm economy. "These are cuts that farmers who are already suffering from depressed prices and rising input costs, can ill afford, " said Mr. Edie.
>
> "Prairie farmers have always tried to work with governments to develop policy and programs in the best interests of the industry and the national economy," said Mr. Edie. "We believe that changes should be made through negotiation and agreement by all major stakeholders, not through strong arm methods".

• (1930)

To include such coercion in a budget that completely circumvents the consultation process is unacceptable to society. Where is the trust this country is built on?

We need something positive. We need to rekindle the spirit of pride that built this nation. We need to rekindle the spirit of positive programs, programs that those on this side of the House are prepared to deliver.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I would like to ask a question of my colleague from Lambton—Middlesex. He talked in terms of billions and I would like to put it in simpler terms.

Being from Ontario, when Bob Rae took office 12 cents of every tax dollar went to pay the debt. If he does not get his social contract with the 900,000 public servants in Ontario, by the end of two years 26 cents of every tax dollar will go toward the debt.

I mention this because people can understand it. Back in 1979 the Minister of Fisheries and Oceans stood in the House and proposed a budget of 18 cents a gallon, and the voters turfed him out because everyone could understand 18 cents.

In 1967 when the Liberals were in office, centennial year, 11 cents of every dollar went toward the debt. That left 89 cents for program spending. By 1983 as a result of Liberal fiscal management, 32 cents of every tax dollar went to pay interest on the debt and that left only 68 cents for programs plus what had to be borrowed.

Instead of talking in billions would the hon. member, my colleague from Ontario, please explain to me in simple terms how going from 11 cents of each tax dollar to 32 cents has not caused a hole, exactly the same hole

that Bob Rae is causing for the next government in Ontario?

Mr. Ferguson: Mr. Speaker, I really appreciate the question. The member raised a very good issue. Over 24 years, from 1960 to 1983, the increased cost of servicing the debt amounted to 21 cents. Then in the Tory years that followed it ballooned to 43.2 cents.

I cannot speak on behalf of socialists in Ontario. I understand there is a difference of opinion between them and socialists here in Ottawa and I do not want to get into that today.

I point out that one thing that really concerns me is that a lot of those public debt charges are going out of the country. They have borrowed outside Canada. In 1984, 92 per cent of all federal government borrowings were from Canadians: Canadian banks, lending institutions and Canadians themselves.

That has dropped off dramatically. That is one of the things that is wrong with this government's policy. It is not borrowing the money from Canadians who want to reinvest in Canada. It is borrowing it offshore and the interest is all going out of the country. Is it any wonder we are in deep trouble? It is going out of the country. It is not benefiting Canadians. It is not giving them a chance to invest in their own country.

• (1935)

That is why I say that with positive programs we can rekindle a sense of pride in being Canadian and rebuild this country. We have done it before after both world wars and we will do it again. Just watch us.

[*Translation*]

Mr. Allan Koury (Hochelaga—Maisonneuve): Mr. Speaker, I welcome this opportunity to take part in the debate on the April 26 budget, but above all I would like to send a message to my constituents in Hochelaga—Maisonneuve.

First of all, there will be no tax increases.

I would like to go on to the measures announced in the budget and provide some background as well. There will be no new taxes, less government borrowing, lower taxes, more jobs and more choices for the future. That is what people want and that is the direction in which this government is going.

Spending cuts, together with other measures in this budget and combined with the cutbacks announced in the December 1992 statement, will yield savings of $3.8 billion in 1993–94, rising to $7.9 billion in 1997–98. Over the five-year period the total savings will be more than $30.7 billion.

Between 1993–94 and 1997–98 the average annual growth of program spending will be maintained at 1.7 per cent. This means that, allowing for inflation, there will be zero real growth in program spending.

Reducing the deficit means less government borrowing, lower interest rates and lower taxes, all of which will stimulate economic growth and job creation.

The budget reinforces the action taken in the February 1992 budget and the December 1992 statement, both containing measures aimed at supporting economic recovery.

Specific measures include a one-year exemption from unemployment insurance premiums for new employees of small businesses; a 10 per cent investment tax credit for small businesses; an increase in the loan limit under the Small Businesses Loans Act to $250,000, and a two-year extension of the Small Business Financing Program.

Cuts in personal income taxes and enriching and restructuring the child benefit system will inject $1.7 billion into the economy this year alone. However, we are not the only ones facing financial challenges. These are difficult times and many countries are carrying a heavy load. In fact most are introducing spending cuts similar to our own.

Measures to promote job creation are also included in this budget, which reinforces the measures introduced in the February 1992 budget and the December 1992 economic and fiscal statement by focusing on a sound monetary and fiscal policy, streamlining government spending, upgrading the skills of Canadians and encouraging the private sector to expand and create jobs.

It is essential to restore the financial health of the private sector and thus restore its confidence and facilitate the investment that is essential to economic growth and job creation.

• (1940)

The home buyers' plan helps Canadians buy or build homes using funds from their RRSPs, and last year 148,000 Canadians took advantage of this plan.

The government has made accommodation more affordable for Canadians, thanks to lower interest rates, the possibility of using RRSP funds for the initial downpayment on a home, and the availability of 95 per cent mortgage insurance for first home buyers.

The federal government, operating through the Canada Mortgage and Housing Corporation, will no longer fund housing through 35-year subsidy commitments which impose most of the costs on future taxpayers.

However CMHC will look at ways to increase efficiencies in the financing and delivery of its programs and resulting savings will be reinvested in social housing to maintain existing housing stock in good repair and provide some scope for new commitments. Increased efficiencies will be obtained as a result of direct funding.

CMHC will maintain its current funding level of about $2 billion a year. Similarly, special purpose funding for shelters for victims of family violence, the National Strategy for the Integration of Persons with Disabilities and for native housing on reserves will continue.

Considering the overriding need to restrain spending increases and control the deficit and the national debt, the federal government cannot afford to let new social housing commitments accumulate as it did in the past.

The government, through the Canada Housing and Mortgage Corporation, will be able to maintain its housing stock by spending $2 billion annually and thus meet the needs of 650,000 low income families seeking accommodation. Quebec's subsidy share will remain more or less the same, at $685 million annually. Furthermore, a safety net including the cost of shelter for the indigent will still be provided under the Canada Assistance Plan.

To help control unemployment insurance costs and protect the integrity of the unemployment insurance account the average benefit rate will be maintained at 57 per cent of average weekly insurable earnings after 1995.

For the sake of comparison, in the United States the benefit rate is 50 per cent for a period of six months, while in Japan the rate is 48 per cent for a maximum of 7 months. Canada, with its rate of 57 per cent for a maximum of 12 months compares very favourably in this respect.

In the December 1992 statement we announced that funding for regional development would be reduced by 10 per cent for both 1993-94 and 1994-95.

As a result of measures introduced in the present budget, funding will be reduced by a further $90 million in 1993-94 up to a total of $415 million in 1997-98.

As for repayable contributions, by 1997-98 regional development funding will be reduced by $100 million per year, based on the pool of funds expected as a result of the contribution repayment policy announced in the 1990 budget.

I see you are signalling, Mr. Speaker, but I have not quite finished.

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member will have a couple of minutes left plus 10 minutes for questions or comments when the budget debate starts again.

It being 7.45 p.m., it is my duty to interrupt the proceedings, pursuant to Standing Order 84(4), and put forthwith every question necessary to dispose of the amendment to the amendment that is now before the House. The question is on the amendment to the amendment.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the amendment to the amendment, which was negatived on the following division:

(Division No. 473)

YEAS

Members

Allmand
Althouse
Arseneault
Assad
Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)
Bellemare
Benjamin
Bevilacqua
Black
Blackburn (Brant)
Blaikie
Blondin-Andrew
Boudria
Breaugh
Brewin
Butland
Crawford
de Jong
Dingwall
Dionne
Duhamel
Ferguson
Flis
Fontana
Foster
Funk
Gaffney
Gagliano
Gauthier
Gray (Windsor West)
Guarnieri
Harb
Harvard
Harvey (Edmonton East)
Heap
Hovdebo
Jordan
Keyes
Kilgour (Edmonton Southeast)
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacLellan
Manley
Marleau
McCurdy
McGuire
Milliken
Mills
Murphy
Nault
Nystrom
Ouellet
Pagtakhan
Phinney
Proud
Prud'homme
Riis
Skelly (North Island—Powell River)
Skelly (Comox—Alberni)
Stupich
Vanclief—63

NAYS

Members

Andre
Atkinson
Attewell
Beatty
Belsher
Bernier
Bird
Bjornson
Blackburn (Jonquière)
Blais
Blenkarn
Bosley
Bouchard (Roberval)
Boyer
Brightwell
Browes
Cadieux
Campbell (Vancouver Centre)
Casey
Chadwick
Champagne (Champlain)
Clark (Yellowhead)
Clark (Brandon—Souris)
Cole
Collins
Cooper
Corbeil
Corbett
Côté
Couture
Crosbie (St. John's West)
Crosby (Halifax West)
Danis
Darling
DeBlois
de Cotret
Della Noce
Desjardins
Dick
Dobbie
Domm
Dorin
Duplessis
Edwards
Epp
Fee
Feltham
Ferland
Fontaine
Fretz
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Grey (Beaver River)
Guilbault
Gustafson
Harvey (Chicoutimi)
Hawkes
Hicks
Hockin
Hogue
Holtmann
Horner
Horning
Hudon
Hughes
Jacques
James
Jelinek
Johnson
Joncas
Jourdenais
Kempling
Koury
Landry
Langlois
Larrivée
Lewis
Littlechild
Loiselle
Lopez
MacDonald (Rosedale)
MacDougall (Timiskaming—French River)
MacKay
Malone
Marin
Martin (Lincoln)
Masse
Mayer
Mazankowski
McCreath
McDermid
McDougall (St. Paul's)
McKnight
McLean
Merrithew
Mitges
Monteith
Moore
Mulroney
Nicholson
Oberle
O'Kurley
Paproski
Plourde
Porter
Pronovost
Redway
Reid
Reimer
Ricard
Richardson
Robitaille
Roy-Arcelin
Saint-Julien
Schneider
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Shields
Siddon
Sobeski
Soetens
Sparrow
Stevenson
Tardif
Thacker
Thompson
Thorkelson
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Valcourt
Van De Walle
Vankoughnet
Vézina
Vien
Vincent
Wappel
Weiner
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Worthy—142

PAIRED MEMBERS

Anderson
Cardiff
Comuzzi
Halliday
MacAulay
MacLaren
Wilson (Etobicoke Centre)
Young (Acadie—Bathurst)

[*Translation*]

Madam Deputy Speaker: I declare the amendment to the amendment lost.

It being 8.16 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

The House adjourned at 8.16 p.m.

HOUSE OF COMMONS

Thursday, April 29, 1993

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 41 petitions.

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

* * *

[*English*]

INTERPARLIAMENTARY DELEGATION

18TH REPORT OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Madam Speaker, pursuant to Standing Order 34, I have the honour to present, in both official languages, the 18th report of the Canadian NATO Parliamentary Association concerning the NAA annual standing committee meeting which was held in Portugal from March 26 to 28, 1993.

* * *

BILL C-103

REPORT OF LEGISLATIVE COMMITTEE

Mr. Doug Fee (Red Deer): Madam Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-103, an act to provide for the repeal of the Land Titles Act and to amend other acts in relation thereto, with one amendment.

[*Translation*]

HOUSE MANAGEMENT

PRESENTATION OF 89TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parlamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, I have the honor to present the 89th report of the Standing Committee on House Management, concerning the members at large to serve on committees in the Departmental envelope.

With leave of the House, I intend to move for concurrence in this report later this day.

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

* * *

• (1010)

HOUSE MANAGEMENT

CONCURRENCE IN 89TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, with leave of the House, I move:

> That the 89th report of the Standing Committee on House Management, tabled earlier today, be concurred in.

[*English*]

Madam Deputy Speaker: Does the hon. parliamentary secretary have unanimous consent to put the motion?

Mr. Dingwall: Madam Speaker, in view of what has transpired on previous occasions I wonder if the parliamentary secretary would just give a brief description of the contents of the report as he did yesterday with regard to the 88th report.

[*Translation*]

Mr. Langlois: With great pleasure, Madam Speaker. The 89th report of the House Management Committee recommends changes to the list of members at large to serve on committees in the Departmental envelope. In a few moments the Clerk will read the changes proposed in this 89th report.

[*English*]

Madam Deputy Speaker: If consent is given and since the report has been presented, I will ask the clerk at the table to please read the text of the report so that members may know its contents. I will then put the question on the motion.

Motion agreed to.

* * *

PETITIONS

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, in this first instance I have petitioners who ask the government to remove the GST on books and learning materials. They point out that it has hurt students, artists, publishers and the industry generally. They also point out that it does not contribute to increased productivity of our society in general. The petitioners feel it is counterproductive to the development of Canadian society.

RADIO AND TELEVISION PROGRAMMING

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, in this other petition the petitioners ask Parliament to ensure that the CRTC carefully regulates the use of foul language in radio and television programming.

The petitioners also ask that the whole aspect of violence be examined carefully. They point out that it is not necessary to do that in order to entertain or inform, whether it be in English, French or any other language.

[*Translation*]

In the latter case, I have petitioners who are asking Parliament to ensure that proper language is used on radio and television. They also ask Parliament to ensure that acts of violence are not allowed on radio and television because they say it often goes against what they are trying to do in raising their families.

[*English*]

TRADE

Mr. Ross Harvey (Edmonton East): Madam Speaker, I also have the honour to rise pursuant to Standing Order 36 and present a petition signed by numerous Albertans, principally from Calgary but from Edmonton and other centres as well. I just noted now one person from Helena, Montana. It must be the first time that person at least has ever petitioned the Canadian House of Commons.

In any event, the petitioners point out that if implemented the North American free trade agreement will result in further restrictions being placed on the ability of Canada's federal, provincial and territorial governments now and in the future from assisting Canadian industry, conserving Canadian natural resources for Canadian benefit and advancing needed social programs.

Therefore the petitioners call upon this House to reject the proposed North American free trade agreement. They recommend to the government that it use the termination clause to end the Canada–U.S. Free Trade Agreement.

CRIMES AGAINST CHILDREN

Mr. Alex Kindy (Calgary Northeast): Madam Speaker, I have here 10,000 signatures on a petition in memory of all children who have suffered at the hands of others.

We have formed this petition to stress our belief that the penalties in respect of child molesters and child murderers are far too lenient in this country.

• (1015)

The petitioners strongly request that this petition be heard as the people's voice to reinstate capital punishment for child murderers and to stiffen penalties for child molesters. If we cannot protect our children from people who commit these heinous crimes, then who will? The petitioners call upon Parliament to enact legislation against this type of offender.

I also have a series of petitions from thousands of other petitioners in memory of Shannon Dawn Morrissette-Bird and all children who have suffered at the hands of others. This petition is also a request for capital

punishment for child murderers and stiffer penalties for child molesters.

I have another series of petitions from thousands of petitioners in memory of Corinne "Punky" Gustavson and all children who have suffered at the hands of others.

The petitioners have formed this petition to express their beliefs that the penalties with respect to child molesters and child murderers are far too lenient in this country. They strongly request that this petition be heard as the people's vote to reinstate capital punishment for child murderers and to stiffen penalties for child molesters. If we cannot protect our children from the people who commit these heinous crimes, then who will? Therefore the petitioners call upon Parliament to enact legislation against this type of offender.

Again I present petitions from thousands of petitioners in memory of Corinne "Punky" Gustavson. They strongly request stiffer penalties for child molesters and capital punishment for child murderers.

All those petitioners are from Calgary, Alberta.

These petitioners request that convicted sex offenders be housed with the general prison population and not be given special treatment.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, Question No. 455 will be answered today .

[*Text*]

Question No. 455—**Mr. MacWilliam:**

With respect to the "Canada, Buy Into It" campaign, (a) what was the total cost of phase I of the campaign (b) what is the projected cost of phase II of the campaign (c) how much of the cost of phase I on the campaign was attributed to paid advertising?

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): With respect to the "Canada, Buy Into It" campaign, the breakdown is as follows:

(a) $4.45 million total cost phase I

(b) $.672 million total cost phase II

(c) $3.864 million attributed to paid advertising phase I.

* * *

[*Translation*]

STARRED QUESTIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, would you be so kind as to called starred Questions Nos. 428 and 446?

Madam Deputy Speaker: Questions Nos. 428 and 446.

Mr. Langlois: Madam Speaker, I ask that starred Question No. 428 be printed without being read.

[*Text*]

*Question No. 428—**Mr. Nowlan:**

With respect to Hollis Harris, president of Air Canada, is he (a) a Canadian citizen and, if not, what is the status of his immigration (b) is he qualified to work in Canada under the Designated Occupations List for Immigrants (c) is he working in Canada under any section of the free trade agreement and, if so, what section?

Hon. Bernard Valcourt (Minister of Employment and Immigration): The Privacy Act prevents the Minister of Employment and Immigration from discussing the details of immigration cases. Therefore, the government cannot provide the details of Mr. Harris' status other than to say that the Minister of Employment and Immigration is responsible for ensuring that all foreign workers working in Canada meet the requirements of the Immigration Act as it pertains to foreign workers; that responsibility has been fulfilled in this case; and, Mr. Harris' employment does not come within the auspices of the free trade agreement.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, if

starred Question No. 446 could be made an Order for Return, that return would be tabled immediately.

[*Text*]

*Question No. 446—**Mr. Duhamel:**

Since November 21, 1988, what has been the total procurement by the federal government (a) in the province of Manitoba (i) per year and (ii) by department (b) in the United States (i) per year and (ii) by department?

Return tabled.

[*Translation*]

Mr. Langlois: Madam Speaker, I ask that the remaining questions be allowed to stand.

[*English*]

Mr. Dingwall: Point of order, Madam Speaker. Before the parliamentary secretary asks that all questions stand I want to indicate to you, Madam Speaker, and to the parliamentary secretary that time on the clock is running out. The House is due to close on June 23. There was Easter break when the House was adjourned for approximately seven days.

However, when one looks at questions on the Order Paper I just want to bring to the attention of the Chair something I think is quite important. Questions Nos. 307, 317, 318, 326, 386, 387, 404, 406, 421, 422, 423, 446, 448, 464 in the name of the hon. member for Cape Breton—East Richmond and question No. 465 are well over a year old.

As the appropriate identification to the question so states, the response is to be provided within a 45-day period. We have gone well beyond that on many of the questions. I raise this point along with other questions Nos. 467, 472, 475, 484, 486, 488, 493, 502, 503, 504, 505 and 506. I raise these matters while keeping in mind that we do have a short period of time. Members wish to have answers to those questions. The government is grossly negligent in not responding to those questions, which within the purview of the Standing Orders it must do within 45 days.

• (1020)

A number of the questions that I referred to, and I want to be fair to the parliamentary secretary, have just been asked in the last number of weeks by members on this side of the House.

I wish to serve notice to the parliamentary secretary that I will raise this subject matter again on Monday of next week. I would hope that at a bare minimum the questions that have gone well beyond the 45-day limit will be responded to by the appropriate ministers or the appropriate action pursuant to the Standing Orders will be followed by the parliamentary secretary.

I realize the parliamentary secretary is a very active, learned and experienced colleague. He has done a superb job as a parliamentary secretary. However he better start talking to those members on the front bench who have been ragging the puck. I would hope that he would get some answers forthwith from these ministers who have been grossly negligent, unlike previous ministers of the Crown. I refer to the former Minister of Energy, Mines and Resources.

Madam Deputy Speaker: I am glad this was a point of order and we did not enter into debate.

Mr. Blaikie: Madam Speaker, briefly on the same point because I am sure the hon. member from Winnipeg would like to get on with the opposition day motion, and we would all love to hear him.

The fact is this matter that is raised by the opposition House leader deserves more attention than it has been getting. I would remind the Chair and hon. members that the 45-day limit was put in place at the time of the reforms of the House and the Standing Orders in the mid-1980s as a kind of trade off in return for members not being able to ask as many questions as they used to be able to ask.

There was a time when members were able to ask an absolutely limitless number of questions and the government at that time felt this was putting a burden on them. The trade off was that members would not be able to ask an infinite number of questions but in return the questions they did ask would be answered within a defined period of time.

What do we do about a government that shows routine contempt for the Standing Orders in this respect? These questions are to be answered within 45 days. That is what the Standing Orders say. It poses a problem for parliamentary reform when we run into a situation in which the government simply ignores not only the spirit of parliamentary reform, it has done that, but the letter of parliamentary reform. It is actually required to answer

these questions within 45 days and it is routinely not doing so.

I would ask the Chair to take this matter under consideration and perhaps at some point consider making a comment as to what the House should do to protect itself from a government that so blatantly neglects and acts in contempt of its own Standing Orders.

[*Translation*]

Mr. Kindy: On the same point of order, Madam Speaker. I have a few comments on the same topic. I think it is unacceptable for the government not to answer within the prescribed period as ordered by Parliament. I would like to know whether the Chair could perhaps explain to the government that there is no double standard. If the Standing Orders apply to individual members, they should also apply to the government.

• (1025)

Ministers are members of Parliament, and if they want Parliament to respect them, they should obey the Standing Orders as ratified by Parliament.

Madam Deputy Speaker: The Chair takes this very seriously. In fact, the matter was referred last week to the Standing Committee on House Management, and I expect we will get a reply very shortly. Meanwhile, the parliamentary secretary has enumerated a list of questions which have been answered today. Regarding question No. 446, which happens to be one of the questions referred to by the hon. member for Cape Breton—East Richmond, if the House agrees to have this question made an Order for Return, that return will be tabled immediately.

As for question No. 428, with leave of the House, it will be printed without being read. Is it agreed?

Some hon. members: Agreed.

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—NATIONAL DEFENCE

Hon. Lloyd Axworthy (Winnipeg South Centre) moved:

That this House condemns the lack of leadership, the evasion of accountability and responsibility and the inadequate credibility of the Minister of National Defence that have exposed members of the Canadian forces on difficult and sensitive peacekeeping missions to unnecessary vulnerability and that contribute to the gravity of national fiscal problems by her persisting in the acquisition of enormously expensive equipment designed for missions no longer contemplated.

He said: Madam Speaker, one of the phrases that I have long remembered was said by Thomas Paine, the American revolutionary. He said: "We have in our power to begin the world all over again. The birth day of a new world is at hand". It is probably the ultimate axiom of our time when we see the incredible changes going on. I have thought of those words many times when I have watched the change in the cold war, the major progress we have made in reducing nuclear weapons, the enormous sense of human aspiration as it breaks out around the world to establish new democratic market economies and political systems. It has been a really exhilarating time.

History has a way of playing cruel games. This new freedom has also brought with it some tragic and gut-wrenching events. We have added the awful words "ethnic cleansing" to our vocabulary. We have seen scenes of genocide and massacres we thought we would never again witness in this world.

There is no question we are living in a time that has to bring out the best of leadership in defining a new world order, in defining a new sense of the rule of law, and redesigning and rethinking many of our basic premises and policies and ways of doing things.

Canadians have been right at the epicentre of these changes. As a result of our past experience and the reputation that was won by a variety of diplomats and governments and peacekeepers we have been seen as a country that is able to respond to these new challenges and has been asked to do so.

It also means that some very tough choices have to be faced. The world is not the way it was. The kind of interventions that are taking place in Bosnia, Cambodia and Somalia have created a brand new generation of peacemaking requirements. We really are living in what the historians would call a defining moment when there must be a new set of judgments, ideas, and directions formulated. It must be done in openness, in a democratic way, with the full consent of the governed so that people will understand what those changes mean, the implications for them, so that they are able to support and provide a consensus in terms of moving into this area, at times a treacherous but fascinating world, and so that Canada can play a role of distinction, honour and integrity.

• (1030)

What have we received instead? We have received paeans of praise to the old way of doing things, retrenchment in the *status quo*, evasion, arrogance, indifference, and sometimes downright lying and misleading.

It has been one of the worst moments for Canadians in terms of looking for leadership and getting instead a ducking, bobbing, weaving, hiding attitude from the Minister of National Defence. She is not prepared to face up to either the responsibilities of office or the greater responsibilities of leadership.

Consider the case of the fundamental priorities of our defence security system. It did not take analysis of great depth to recognize that increasingly the responsibilities of peacemaking will hit the centre of our security strategy and the ability of Canada to respond in a multilateral international way to a variety of conflicts, both military responses and responses of our aid workers and others to help build societies, which is very much at the centre of our foreign policy requirements.

That means a basic rescaling of where we spend our money, where we put our priorities, how we train our people, and where we allocate our resources. Look at what has happened. In the defence policy announced a short while ago we cut our ground forces by 35 per cent to the point where we do not have adequate people on the ground to supply and maintain a peacekeeping presence.

At the same time as we were cutting our peacekeeping commitments, as we were slashing our capacity and ability to meet these new demands, what was the government doing? It was committing $5.8 billion to a helicopter program that was designed 10 years ago, when the cold war was at its height, to chase Russian subs across the north Atlantic. Probably the only thing Russian subs are carrying these days is grain from port if they can get the fuel to move.

Have we made any attempt to rethink that problem? Have we made any effort to reanalyse that kind of priority to determine whether there should be a more effective and more realistic contemporary way of spending our defence dollars? Not a bit.

The defence minister, the apostle of the new politics, has been most vociferous in saying that we shall not change, to the point where she has become ludicrous and absurd.

The other night on television in an interview when asked why it was that we were now spending $5.8 billion for a piece of military equipment that no longer had a use she said that we have to be concerned about those subs the Iranians have.

That really made Canadians shudder. All of a sudden we are going to spend $5.8 billion scarce defence dollars, because the Iranians may be buying a sub or two and Canada must stand on guard, as opposed to all of the other defence demands around the world which are crying for it. What is the defence minister doing? We are having to call up reservists and quickly put them into precarious situations with 90 days' training and without the proper equipment. These helicopters have become the sacred cow.

This apostle of the new politics who has said that we must open up our eyes and ears to listen refuses to listen to the majority of Canadians who in the majority say that we should stop that program and do something better with the money.

This is the new politics? It is a kind of inbred arrogance that says: I do not have to listen to anybody because I know what is best. Is that the new kind of new politics we can expect? See no evil, hear no evil, think no evil. Do not think at all is the byword of the new politics.

It is far more serious because we are putting our reputation and our capacity on the line because at the present time we have not undertaken any kind of open debate in this House about the new peacekeeping priorities. We have not had any kind of position paper from the government on what it means in terms of reallocating defence expenditures. We have made no

effort whatsoever to involve Canadians in a series of debates about Canada's international role. We must ask ourselves tough questions about how far and in what way we want to commit our troops and under what kind of rules and under what kind of mandate.

• (1035)

Look at the result. We commit troops in Bosnia into a highly vulnerable situation with a confused, ambiguous mandate, mission statement, rules of engagement, in effect making our troops a trip-wire for some possible attack. We say we will respond then, instead of ensuring that in this horrible, nasty situation taking place in Bosnia with the massacre of thousands of people, we are not prepared to invite Canadians to become part of the debate, to say we have some tough choices. The old humanitarian peacekeeping mission is not working.

What is the point of bringing supplies to people if they are going to be bombarded the next day and massacred in their beds? Everybody is ducking that responsibility, the Europeans, the Americans. Everybody is shying back.

It is shameful we are not prepared to engage Canadians in a serious debate about these crucial issues. Nothing has been brought into this House. The minister has refused to come to the committee. It has been a total stonewall.

An hon. member: That is not true. She is coming to committee on May 5.

Mr. Axworthy (Winnipeg South Centre): Next week. We are told she is coming to speak on the helicopters and not on peacekeeping.

We are in a situation where the minister of defence has to be on top of the job 24 hours a day because our troops are in the most vulnerable, precarious position that they have been in since the Korean war, and where is the minister?

How often is she in the House, a day or two a week maybe? She says she is on the end of the phone. Members opposite should have heard the chief of defence staff yesterday when he was announcing the terms of the new board of inquiry. He said: "I have been thinking about things I should have been doing for the last couple of weeks".

When he was asked: "What does the minister think?", he said: "I don't know. We did not have a chance to talk about it." Is that continual examination and brainstorming and responsibility? The minister was off stomping and shopping somewhere, getting those photo ops out.

I have no quarrel with the minister running for the leadership. That is her business and she is welcome to it. But if it means that you avoid the responsibilities of your office in the meantime, you are not living up to your oath of office. That is something I do not think Canadians are prepared to accept.

Now we have a board of inquiry which will be looking at things like training and preparation for our peacekeeping troops. We were asking questions in this House several months ago of the same minister.

The minister at the time said: "Observe. There is no need to do that. Absolutely ridiculous. We are all set. Don't worry about it." Now we have a board of inquiry examining those very same questions because the minister was negligent in addressing those issues right at the beginning before the troops were sent. She neglected to establish rules of engagement, mission objectives and proper and adequate information for those troops to make sure the decisions are the right ones.

We have to go through this board of inquiry and all the information and problems that it has given rise to because the job was not done when it should have been done.

This brings me to the issue of Somalia which has been an ongoing matter of real concern to the troops themselves, the Canadian people and Parliament. All it needed was honesty. All it needed was being forthright. All it needed was to be up front. All it needed was to say: "We have got problems here. Here is how we are going to handle it."

Instead, what do we get? We get evasion, misdirection, negligence and now as we found out yesterday, being downright misled. I want to make sure that people understand this, that there can possibly be no greater sin committed by any minister than not telling the truth.

• (1040)

Mr. Andre: Evidence?

Mr. Axworthy (Winnipeg South Centre): Here comes the evidence. Yesterday in the testimony of the chief of defence staff he said that on March 18 the minister of defence was informed that an investigation looking at the criminal aspects of a death in a Somalia camp was under way, that is a homicide. The minister denied categorically in the House that she knew anything about any homicide taking place.

Mr. Andre: That is untrue.

Mr. Axworthy (Winnipeg South Centre): That is not untrue, we have the records to prove it.

Mr. Andre: When did she deny that?

Mr. Axworthy (Winnipeg South Centre): That is exactly the case. For two weeks the minister said she knew nothing about it but she knew there was an investigation going on. The investigation report says, and the House leader probably is not aware as he is not about most things, of the exact statement that was being made—

Mr. Langlois: You are wasting the time of the House. If you think you will be elected on that issue, you're gone.

Mr. Axworthy (Winnipeg South Centre): We are gone, sure. We are really gone, that is right.

The minister said deliberately that she knew nothing about any homicide investigation. The chief of defence staff said yesterday that on March 18 the minister knew that an investigation had been requested to look at the criminal aspects of a death in Somalia, homicide in other words. There are two different versions, the minister's and the chief of defence staff's. From my point, I believe the chief of defence staff, not the minister.

This motion is specifically on the question of whether at a very precarious, sensitive time in the history of this country we are getting the kind of leadership that we need and deserve. Canadians deserve honesty from their ministers, but the government is seized by what I would call the Al-Mashat disease. When in trouble, duck. When put to the law, hide. When asked to live up to responsibilities, evade. Those are the real issues that are at stake.

How do we ensure that our forces that are valiantly and courageously performing their duties around the world are getting the leadership at the top that they need? We know the House leader and others have attempted to characterize this as an attack on the troops. They are trying to say—

An hon. member: That is what it is.

Mr. Axworthy (Winnipeg South Centre): But they are wrong. Clearly it is an attack on the lack of confidence, leadership and forthrightness of the minister who should be on top of that portfolio.

The primary responsibility of the House is to make sure that the decisions being made are the right ones, so they can be carried out the right way; that we do not have people put in vulnerable positions and have no one at the other end of the phone; that we have a serious debate in the House so Canadians know what is going on; and that we do not have a serious question about where we put our defence resources to get the most effective use, all which have been denied, all which have been turned back. Canadians deserve to have an open system of government, an honest system of government and a democratic system of government.

We have received none of those qualities of leadership from the present minister of defence. Instead, the problems were made worse and the kind of a clear mandate has not been given to our Armed Forces to make the changes that are necessary, to prepare themselves for the new world that we are in and to make sure that Canadians are in agreement with that. It would seem to me that even at this very important time with all the political sky-jumping going on around us we cannot afford to have these sins of omission on the part of the minister. We cannot afford to have absentee leadership. We need to have people who are working, thinking and reacting on a full-time, effective basis.

• (1045)

Members opposite said that this was all because there was a leadership campaign. They are wrong. The only problem with the leadership campaign is that apparently it distracts the minister from her real duties. However, it does not mean to say that at any other time the same minister would not be under the same questioning by members of this House, by members of the public and by members of the media because of a lack of performance of duty. It is just that the opportunities to raise those

questions are so seldom and infrequent. That is also part of the problem.

The resolution we have put forward is an attempt to open up that debate, to start raising a series of questions on the following: how we can redesign our defence and security policy to meet new conditions; how we can begin to try to focus the minds of this government and this minister on the real responsibility, which is this important defining moment in the history of this country in terms of the role we play around the world; and how we can provide a significant leadership and direction to the United Nations and to the peacekeeping forces in a way that will continue the honour we have won in the past.

However, we cannot do it and it will not happen unless Canadians are involved, unless this Parliament is fully apprised and unless we have a government with something serious and significant to say.

We hope the debate today will just be the beginning of other debates. We can open this question up for a full-scale examination so that ultimately we can define for this country an effective defence and security role in a way that will enjoy the consent of the government.

Mr. Howard Crosby (Halifax West): Madam Speaker, I would like to make two comments with respect to the remarks of the hon. member for Winnipeg South Centre and then pose a question to the member.

First, let me comment on his remarks respecting the EH-101 helicopter contract. For those who do not know, in 1982 and 1983 the Liberal government of the day considered the Canadian Patrol Frigate Program. Very much a part of that program was the addition of a helicopter component once the ships were operational. The decision was made then that the Patrol Frigate Program and the acquisition of helicopters went hand in hand. That is simply an extension of the equipment of our Canadian naval force.

There are important industrial spin-offs to places like the Halifax shipyards. Across this country workers will benefit from this contract. More important, it is endorsed by every military official in the country as far as I am aware. My question is for the hon. member. Does he stand in contradiction to our military experts who have requested this additional equipment to make the Canadian patrol frigate operative and effective as a defensive force? Does he stand in contradiction to those officials?

Let me make this second comment and ask an additional question with respect to the control of the Canadian forces. For decades, for generations, we have had in force in Canada the National Defence Act enacted by this very Parliament of Canada. It is the governing law with respect to the Canadian Armed Forces, as my friend the admiral is well aware. That is a code of discipline and conduct different from that which prevails in civilian lives across this country. For generations as part of the British parliamentary tradition we have used legislation to control and govern the Canadian forces.

Is the member now suggesting that we throw out the processes and procedures of the National Defence Act, that we forget about the code of military conduct and discipline and that we apply a totally different code of conduct to the activities of those who are in extremely difficult situations in places like Somalia at the request of the Government of Canada and for the benefit of the Canadian people? Does he want them now governed by a different code of conduct? Is he going to simply throw out the rules and introduce *ad hoc* judgments in light of what he sees as a difficult situation not for him but particularly for the Canadian Armed Forces?

• (1050)

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, I would be glad to reply to the questions. In part the answer was contained in the member's opening statement.

The decision on frigates was made in 1982, 11 years ago, when there was still a cold war on and when the priority objective for our security under the NATO arrangement was to provide anti-submarine patrols in the north Atlantic.

I want to inform the hon. member that things have changed since then. The Berlin Wall has come down. The Soviet empire has disintegrated. Russian subs are tied up in their home fleets, not moving. We just announced a month ago a new program of aid and assistance to the very Russians whose subs we thought we are going to try to chase. Yet there has been no attempt whatsoever in the meantime by this government to come to grips with that new reality. It is still looking

back 10 years ago. It is looking through the rear-view mirror.

All we are asking is for the minister of defence to say that there is a new reality. Let us open it up. Let us review it. Let us see how we can reconfigure what we have. That is what is called leadership, not sticking one's head in the sand, not looking through the rear-view mirror, not having some nostalgia for the old cold war but saying it is time to make some change. Let us do it in an open, honest, analytical way, especially at the same time they are cutting substantially from the ground forces so that they cannot provide the proper operational complement to meet the new requirement under the peacekeeping challenges that we face.

The government under the Minister of Finance is slashing away at the defence budget, which he has a right to do, but instead of saying let us cut back on equipment that is obsolescent in terms of today's reality what do they cut back? They cut back on the very component of our defence establishment that is in high demand: our capacity to provide peacemaking, peacekeeping troops. That is what was cut by this government, not the helicopters. That is why we are saying it is about time we had a minister of defence who understood those questions.

On the second question, yes, the National Defence Act is the basic law that governs our armed forces. If the hon. member read section 45 in terms of setting up boards of inquiry, he would see there is nothing in section 45 that says they must be secret. Nothing whatsoever says that a board of inquiry must be secret. It is at the discretion of those who set up the board as to whether or not it is secret. There is nothing in the act that requires it. It is at the discretion of the minister and the minister decided to make it secret.

We have heard the defence from the minister and the House leader that it had to be secret because it might impinge upon criminal investigations. The chief of the defence staff in his statement yesterday said it would not involve criminal investigations. It is going to involve questions of training, deployment and preparation. It has nothing to do with the criminal aspects of it.

Why is it not going to be open so that Canadians can understand the preparation, training, development, lack of discipline and so on that is there? That argument was simply shot out of a silo by the admiral. The government is going to have to find another reason to defend why that inquiry must be secret.

When we look at the statements made yesterday by the two military men from Somalia who have raised these charges publicly we realize they have put their careers on the line. They have taken a very courageous stand because they saw something they thought was wrong. They deserve an open inquiry. They deserve to have the open forum in which their testimony can be properly looked at without fear of a closed door intimidation occurring. That is the basic principle of justice.

The Supreme Court has said it is publicity and the glare of the public that make for good law and good judgment, except, it appears, when it comes down to investigating this very serious matter, when the apostle of the new politics says it is better to have an inquiry behind a closed door.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the hon. member seems to think this inquiry will somehow not do its job, will somehow be corrupted and will produce irrelevant results by having its inquiries *in camera*.

• (1055)

I wonder if he would identify which of the members of the inquiry he feels would be involved in these inferred partisan inappropriate activities. He is suggesting it cannot be done honestly.

Is it Major-General de Faye, Brigadier-General Addy, Brigadier-General Emond, Professor Harriet Critchly or Mr. Stephen Owen? Which of those, or all of them, is he in essence accusing of being incapable of conducting a proper inquiry because they would keep it in confidence?

I could not believe he would stand and say that it is appropriate for physicians who have made observations in respect to the homicide to discuss the details in public while a criminal investigation is going on. I find it absolutely astounding that the hon. member would say such a thing. Does he not understand the criminal justice system, the presumption of innocence, the fact that people might at the end of the day have to face a court and have rights? The hon. member's partisanship is a little extreme. Attacking the minister is understood in

partisan rant but he is going after the credibility of these individuals.

I heard him say that the frigates are irrelevant today. I wonder how he would patrol or exercise sovereignty over the largest coastline in the world. The frigates are irrelevant without helicopters.

Finally I wonder why he said the Berlin Wall came down. It came down in 1989. In 1990 a committee of this House on which his party had two representatives unanimously recommended that the Sea King helicopters be replaced as planned and as soon as possible to avoid costly stop gap measures. Is the Liberal Party in favour of costly stop gap measures? Has it denounced the members of its party? This decision was taken after the Berlin Wall fell.

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, first let me point out that I do not have the same paranoid personality as the hon. House leader who always thinks that somebody is up to no good. That has been the hallmark of this member in his career in the House. He always looks for the worst in individuals.

What I do believe in and what I do insist on is an open process. We should make sure that it is a open democratic process. I thought the minister of defence felt the same way. I read with great interest her opening statement when she announced her leadership. "This is going to be new politics: open, democratic".

An hon. member: Transparent.

Mr. Axworthy (Winnipeg South Centre): Transparent. On the very first test of that commitment she shuts it down and goes back to the old Tory way of making decisions behind closed doors and trying to manipulate the process along the way. It has nothing to do with the individuals, but I will let the hon. minister worry about that because he enjoys that kind of *ad hominem* attack. That is his style. It is not mine.

Second, let us talk about the position of the doctors. Apparently the minister still does not understand that the terms of reference released yesterday do not include the criminal investigation. It was deliberately excluded. The chief of defence staff said they were looking at training, problems of discipline and potentials of racism. Those were the issues the chief of defence staff identified as needing to be looked at. Presumably the gentlemen who had the courage to speak out were not allowed to do so through official circles. They wrote to their wives and spoke out to the media. They would still like the same forum.

One final answer in completion. I never said the frigates were irrelevant. I said the defence policy of the government was irrelevant. That is what I said. There is a very big difference. Instead of trying to come to grips with the transition and required changes to adapt and respond, to have better coastal patrol, to have better drug interdiction and these kinds of things, and instead of re-equipping and redesigning the logistics of our defence forces and training to meet that, there has been nothing said.

We are still buying 35 helicopters to intercept Russian subs tied up in port waiting, I suppose, for the Prime Minister's assistants to get to them so they can buy some fuel. That seems to be a total contradiction of what the government is about. It does not know what the left hand is doing or what the right hand is doing.

• (1100)

Mr. John Brewin (Victoria): Madam Speaker, I appreciate the opportunity afforded by the motion being put by my colleague to the right to have a discussion in this House about defence policy in general. For the last 10 days or so we have been hearing a lot of specifics and we will have further opportunity for discussion, perhaps during this debate and certainly during Question Period.

The debate gives us an opportunity to discuss in more general terms the conduct of the defence department and the way in which it is being administered by the government and the current Minister of National Defence.

Several of my colleagues from the defence committee are in the House. Sometimes I do not agree with them, but I do want to say it is a very valuable committee of this House and I think it is working hard to try to get at some of the issues. As this Parliament is in its final days, one of the things that might be reflected upon for the next Parliament of Canada is that the committees could be made far more valuable and useful and could be consulted by the government much more effectively. I have noticed that many of the decisions of the committee are

simply disregarded by the government and it proceeds to make decisions without the benefit of the work done by the committee and the members on the committee.

The recent events in Somalia reveal however some very serious problems in the administration of defence policy and the operations of the defence department in this country. It reveals that the Department of National Defence and the minister first of all have completely mishandled the public information side of the issues that have emerged recently in Somalia.

Earlier my friend gave some details. We have had some in Question Period. The fact remains that the information has come out in dribs and drabs. There clearly has been a cover-up and I suppose that is a pejorative term. What it means is that the public of Canada and the government itself and conceivably the minister, and certainly Parliament, have not been given information that is critically important to the various functions that we have, including the overseeing of that very important and very difficult job that our peacekeepers are doing there.

Even now we are not sure we have all the information and the inquiry that is being set up is not going to get at the heart of the matter as I see it.

The department and the minister have also, as is revealed in the Somalian affair, failed to impose effective discipline on our forces there, putting the Canadian peacekeeping reputation at risk and at jeopardy.

It was very clear from last night's television that the soldiers who were interviewed did not understand the rules of engagement and the rules applying to the use of force as described yesterday in Ottawa by the chief of defence staff. Right on television they were misstating the rules. They do not understand them. From all accounts the discipline in that area has probably fallen apart simply because the government failed to act, starting as early as February 17 when it had information that it should have moved quickly to deal with and that appears to have led to at least two or three tragedies that followed. There is the failure of the government to impose discipline and the failure of the Department of National Defence.

The department and the minister have also clearly failed to train and prepare our forces for that very difficult assignment. That is coming out in the information we are hearing day by day.

General MacKenzie and other witnesses coming before the defence committee, including the chief of defence staff, have tried to suggest to us that there is no need for training beyond combat training. I will talk about that a little more extensively in a minute.

It is now clear that that is a complacent, misguided policy which has led to tragedy in Somalia and has led to a blot on the reputation of our peacekeepers. This government and the Minister of National Defence are specifically responsible to Parliament and to Canada for that failure.

What we have seen with the Minister of National Defence since she took on those responsibilities in January is something which we in British Columbia had seen before.

• (1105)

Contrary to the image that has appeared in certain photographs of the minister, she is cautious, inflexible, conservative, rigid and defensive in her approach to her duties.

In the last four months we have not seen one significant initiative toward change in the administration of the Department of National Defence at a time when the change facing the world, particularly the defence forces, is dramatic.

When she took over her office the very first statement she made was to adopt the policy of the purchase of the $5.8 billion EH-101 helicopters. She did not blink for a second. She adopted that and has rigidly defended it ever since in the face of mounting evidence that not only the Canadian people disagree with it but it is a misguided and stupid policy.

There has been no change in the spending patterns of the department. It talks of cutbacks but the reality is what is being cut back are hopes and expectations of additional spending. The Department of National Defence is one of the few departments which has continued its spending unchanged through all the recent budgets of this government.

There has been no review of defence policy initiated by this minister. There has been no change in defence policy, defence structure in face of reports of the Auditor General, in face of clear change. Of the other countries throughout the whole western alliance and throughout the world, this is the one Department of National

Defence which, under this administration, is staying rigid and unchanged in the face of changing world conditions.

We hear nothing, not a word about base closings. The government has had a report from the defence committee and from a special task force established by the previous Minister of National Defence to set out a system for closing bases. It is universally conceded that we have far more bases than we need now in the face of changing conditions.

Yet the government and this minister have failed to make one single step in the direction of closing bases and rationalizing expenditures in that area. All sides of this House at least as evidenced by the defence committee agree in a non-partisan way on a system that should be used. That is, communities should be consulted. Communities should be supported where bases are to be closed.

There should be a logical step-by-step process that we all agree to for closings to happen in the interests of the Canadian taxpayer and rationalizing defence. We agreed on a system to take it out of partisan politics but the Minister of National Defence has done nothing. Not a step has taken place under her administration.

There has been no restructuring whatever of Canadian defence forces under her administration, not even a start. We are still living with a structure of defence forces established in the Second World War and probably its antecedents go back to the First World War. There is not a change.

There have been no changes in purchasing policy despite a savage attack by the Auditor General on the system within the Department of National Defence. This has cost Canadians billions of dollars in wasted money. There is no change in the reserve program.

There is not a sentence of change in the reserve program despite an equally savage attack by the Auditor General on that program. He said that it is misconceived, the training is hopeless, the purchase and planning of it is hopeless and the product at the end is not what we are supposed to be getting for the billions of dollars.

In face of evidence before the defence committee, he said that a reserve program conceived during the period of the cold war makes no sense in a period in which our primary role of our defence forces is peacekeeping. We have quite different requirements. There is no sense of innovation or change. If it is happening internally, we are certainly not hearing about it and the products are not different.

What we say is that the government must move. Let me try in the limited time that I have to indicate some areas where I think we need change. Let me first focus and take a little time on peacekeeping training. What it appears has been happening is that within the Department of National Defence the line is we do not need any changes in peacekeeping training, that we have these wonderful peacekeepers who have done a good job for the last 40 years and we do not have to change and try to understand in a new way what training should be.

• (1110)

Yet we also have within the Department of National Defence some voices which have tried to get across a different perspective. We also have had voices from outside, such as General Clayton Beattie who has come before our committee and come before the Senate committee and made a powerful case that there must be a new approach to training and orientation of our peacekeepers, that combat training alone is not enough, that the limited orientation that we give to our defence forces when they go overseas in difficult situations is not enough.

As I said earlier, the Somalian events have demonstrated the tragedy that has occurred because of the rigid, inflexible and complacent approach of the Department of National Defence.

Let me quote the minister herself in what I am afraid is a rather typical arrogance of the minister that she knows better than anybody else, the put-down of those who might have a different view. She said when interviewed in Halifax in February on the issue of peacekeeping training: "The idea of a peacekeeping training centre is a wonderful idea for most people who do not know anything about peacekeeping. But I have had discussions with senior members of the Canadian military who are a bit perplexed as to what you would teach people but the normal skill of a good combat-ready military".

She apparently did not talk to General Beattie, she did not talk to General Urquhart, she did not talk to—and I might be confusing his rank—Colonel Houghton. If I do him a disservice I apologize to him. Let me quote from a July 1991 report that should have been in her hands and she should have asked for and she should have read. It

says as follows: "However, with peacekeeping as a high profile task of the Canadian Forces it is essential that the wishes of the United Nations now expressed in their training guidelines and in the SOPs for various missions be met as completely as possible".

I have been informed that in fact even now the UN training guidelines and the guidelines such as they are in Canada have not been complied with.

The member went on to say: "There has been in the Canadian forces a prevailing attitude that we need do very little in the way of preparation of our peacekeepers because of the basic military skills already learned. Unfortunately, this attitude is causing difficulties in competing with other peacekeeping contributors which are paying attention to the expressed wishes of the United Nations and which are gradually upgrading their peacekeeping skills. The result is that a Scandinavian reserve officer who receives a grounding in the subjects listed in the UN training guidelines could easily be a more knowledgeable, more sophisticated peacekeeper at the start of his tour of UN duty than his Canadian counterpart. If we resist acceptance of the guidelines for refresher training as well as for knowledge specifically related to UN staff work such as mission orientation and negotiating skills we will begin to fall behind. Training must be given and appropriate authority."

In light of what we have been learning in the last week or so about Somalia, it is also fascinating to note the conclusion and recommendation includes that an understanding of the use of force be part of the training manuals and training program.

A further point: "The above subjects, including the understanding of the use of force, are not covered in any Canadian army military training".

Earlier the department had the benefit of a memorandum which also was highly critical of the level of training and made a series of very specific useful recommendations.

The key point here is that our peacekeepers, who are clearly person for person among the best in the world, have been let down by the administration of the Department of National Defence.

• (1115)

It was very revealing when they came before the defence committee. Many of the senior officers did not even seem to understand the kind of training or what training was all about. They did not understand the idea of working with the development assistance workers who have been in the field to give them some serious idea of what needs to meet. They have learned to deal with culture shock and the difficulties imposed by being dropped in the middle of a different culture with different ways of doing things and trying to understand local customs in a systematic way so the mission can be fulfilled.

In the course of all the excitement over the last week about what has happened in Somalia I got a call from London from the African rights group which monitors human rights. It will be issuing a report on Friday which will outline its findings but I was given a summary.

In the summary it notes that Operation Restore Hope had the stated aim of creating a secure environment for the delivering of humanitarian relief. It notes that there has undoubtedly been an improvement in the delivery of bulk food aid while extortion rackets and looting of food convoys have dramatically declined. This improvement is offset by a general decline in security throughout southern Somalia. The security for international relief areas has markedly worsened, restricting relief operations in rural areas.

It goes on to note how the Somalis themselves have been marginalized and how the whole program of development of an agricultural system there has been set back. It notes how many areas of importance to the ultimate success of Operation Restore Hope have been undermined.

They have been undermined in my view and I think in the view of African rights because our government and other governments have not approached the mission there with an understanding of its total impact. It has been treated as a military intervention. The broad long-term objectives of that mission have been forgotten.

Certainly from all accounts our peacekeepers have been very valuable in terms of building schools and hospitals and so forth. But in the broader picture we and other countries neglected the area for years. It appears that there has been almost no consultation with experts

in development assistance to turn the experience we have had there into a positive long-term benefit for the people in that community and country.

Let me quickly touch on other areas. In the area of equipment it is very important first of all to note that the evidence we have had before the defence committee is that our equipment for our peacekeepers and for those who are undertaking their roles in Canada is more than adequate.

The government has in fact provided good equipment for our forces. It is the height of folly to pay for billions of dollars of extra equipment, not for peacekeeping but to fight a war in Europe that is not going to happen. NATO has now recognized that war is not going to happen and is no longer preparing for it.

We need to look at a whole new approach to the reserve program. We have to follow the guidelines of the United Nation's development report which said that every member nation must cut its defence spending by 3 per cent a year to release funds to deal with the new security problems created by poverty around the world and the environmental difficulties the globe faces.

We need to shake up headquarters. We have more generals than we have tanks. We have more senior officers than we need. We have a senior officer structure than would cover more— Madam Speaker, you are indicating that my time is up.

Let me just say in conclusion that we need a new structure in government to integrate the work of the Department of National Defence, the Department of External Affairs, CIDA, the Coast Guard and the RCMP. We need a new National Defence Act. We need to recognize that the proud tradition of our forces must now be served by a constructive and positive approach to change. I would ask the government to work with all sides in this House, listen to the approach taken by the defence committee and begin to build a new defence policy that is in keeping with the changes in our times.

• (1120)

Mr. Howard Crosby (Halifax West): Madam Speaker, far be it for me to bring up anything in the House of Commons pertaining to partisan politics or relationships between federal and provincial organizations. I can understand why members of the New Democratic Party are very tender about the relationships at the federal and provincial levels considering the difficulties they now have associating themselves with Premier Rae in the province of Ontario.

I want to remind the member that there is an election taking place in the province of Nova Scotia and we have an opportunity to review the policies of the New Democratic Party as they pertain to Nova Scotia. I do not know if he is aware of all of them, but one of the policies advanced by the New Democratic Party in Nova Scotia is the insistence that CFB Cornwallis remain open as a military base. It has taken the position that it must be maintained in the interest of the area.

I can understand why many people, including myself, have a great deal of sympathy for that position but the member made it clear in his address to the House today that he believes there should be a non-partisan approach to the matter of closure of defence bases. He indicated very clearly that defence bases have to be closed in a fair and meritorious manner and the government intends to judge all this objectively.

I wonder if he has any advice for the New Democratic leader in the province of Nova Scotia on the issue of defence closures. Does he thinks she should insist on the maintenance of CFB Cornwallis regardless of meritorious or objective assessment that should be made?

While he is giving advice to the leader in Nova Scotia, could he comment again on the EH-101 helicopter contract? I have not heard anybody in the labour movement in Nova Scotia or in the New Democratic Party say to cancel the EH-101 helicopter contract, forgo the jobs at the Halifax shipyards and forgo the industrial benefits to IMP Limited that employs over 2,500 people in Nova Scotia. I have not heard a word about cancellation of the EH-101 helicopter.

I can understand why the member wants it cancelled. He has explained himself, as has the Liberal Party. They are against it and I understand the reasons. I want him to stand in this place and give the advice to his friends in Nova Scotia so we will not have the kind of conflict we have over discrepancies in the views of the Ontario New Democrats and the federal New Democrats. He should

tell the leader he wants the EH-101 helicopter contract cancelled and CFB Cornwallis closed.

Mr. Brewin: First of all I am glad the hon. member has given me the opportunity to speak about Alexa McDonough. I think she is one of the most outstanding political leaders in our country. She has taken great leadership in Nova Scotia on behalf of ordinary people in Nova Scotia. She is an outstanding person. I know the people of Nova Scotia recognize that and will elect her and her colleagues in the election coming up. She would give Nova Scotia the kind of leadership it deserves and has not had from its current government.

I would add that Alexa has been at the forefront of the effort to ensure that CFB Cornwallis be a peacekeeping training centre. That proposal is endorsed by all parties from Nova Scotia, as I understand it, although the government's approach on that was less than enthusiastic when it came up before the defence committee. We could hardly hear the words peacekeeping centre get out but I understand it is endorsed by all. It makes a lot of sense. We have endorsed it. I have worked for it in the defence committee and continue to do so. It is very clear to me that we should have a peacekeeping training centre at Cornwallis. It is admirably suited for it.

There are also a lot of bases across this country which should be rationalized and closed. There is a process we have recommended for doing that.

We have made our position clear on the EH-101 helicopters as the member has indicated. I think the idea of holding out jobs for people in Nova Scotia as a result of this is a mirage. Those jobs are never going to happen because this project is never going to happen. This government is wedded to it but even the Minister of National Defence is beginning to give off little signals that she is not for it.

• (1125)

If the people in Nova Scotia think that project is safe they should think again. It is a misconceived project. If the people in Nova Scotia want good jobs the first step should be to cancel that project and develop effective job programs for the people of Nova Scotia and the rest of the country. That is one of the most inefficient job creators one could ever want and there are relatively few jobs in Nova Scotia provided for under it.

We have proposed a number of projects and programs which will provide a much more solid base for the long-term economic future of the people of Nova Scotia. I am very proud of what Alexa McDonough has been saying to the people there.

Mr. Alex Kindy (Calgary Northeast): Madam Speaker, I would like to make some comments on peacekeeping.

I was on the defence committee in a former sitting of the House and I would like to say that the world has changed recently. Peacekeeping has changed. We have performed peacekeeping in a very outstanding way in the past but I do not think what is happening right now in Bosnia-Hercegovina is peacekeeping. A holocaust is taking place there. The United Nations forces are there and they cannot prevent this holocaust from happening.

The whole question is whether the United Nations has been efficient in the former Yugoslavia. The answer simply is no. The war has gone on for some time and we have witnessed atrocities of the worst kind. They have certainly been compared to the holocaust that happened during the Second World War and the world sits by and watches.

I think the peacekeeping question is a paramount one. Should we be peacekeepers or peacemakers? President Clinton and even the Prime Minister of Great Britain are now saying that we have to be more aggressive and be peacemakers. Are our forces prepared to do that job? At the present time, as we can see, they are not prepared because they are not sufficient in numbers and they are not protected. They will be the first victims if there is peacemaking in Bosnia.

Another question that I would like to raise is the function of the former General Lewis MacKenzie who was the Commander-in-Chief of the United Nations' forces in the former Yugoslavia. Since he retired I see that he travels around the world. He has been in Somalia and recently in Bosnia.

I have a question for the Minister of National Defence that she should be able to answer. Who is paying for Mr. MacKenzie's trips? Is he a lobbyist? Is he a lobbyist for the Serbian side? These are questions which I think are very legitimate. He has been meeting with Serbs. He has had a special relationship with a Serbian leader in Bosnia. So these are questions that should be answered

by the Minister of National Defence. What is Mr. MacKenzie's function? Is he in a conflict of interest situation? He was a commander of the United Nations and now he is a consultant apparently to the Serbians in Bosnia. So these are the questions that arise.

As far as what the member for Victoria was saying, I agree. He mentioned for instance that the defence committee is not being listened to by the government. I think that is somewhat of a tragic situation. Maybe the minister can tell me how she sees the defence committee working in the future to be effective and listened to by the government.

Madam Deputy Speaker: The hon. member for Victoria, there is one minute left.

Mr. Brewin: Madam Speaker, it will not take me very long. Change the government.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I rise to respond to what appears on its surface to be a very serious indictment of the conduct of the Minister of National Defence. In another place and time and from a different source, accusations of lack of leadership, evasion of accountability and responsibility and inadequate credibility would be pretty weighty stuff. But in this place, at this time, from the hon. member for Winnipeg South Centre, as well as the hon. member for Victoria, I know there is not a member on either side of the House who attaches an atom of significance to what is said transparently as nothing more than a partisan rant.

• (1130)

That is what we have been involved in here, a partisan rant. The polls have them petrified so they are off on a partisan rant. That is okay in the sense that this is a partisan operation, except to the extent that innocent third parties are being damaged and important legal proceedings may be prejudiced by the demands being made.

I sat and listened to the hon. member from the New Democratic Party speak but now the New Democrats have deserted the House. Perhaps they are out reading *The Globe and Mail*. I hope they are. If they do they will see this morning's editorial. It puts very concisely what the minister of defence has been saying and why she has been saying that in answers to the questions from the members for Winnipeg South Centre and Victoria and the hon. member from Newfoundland, the defence critic of the Liberal Party. It reads:

> If Parliament is often theatre, it is rarely the improvisational kind. When questions arose in Parliament this week over a series of mysterious shootings by Canadian troops in Somalia, MPs reacted with all of the spontaneity of old troupers in the 1,567th performance of The Mousetrap. The usual opposition role in such cases is to demand an inquiry and, when the government agrees, say that it doesn't go far enough—
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> On Monday, Defence Minister Kim Campbell announced a full military inquiry into the conduct of Canadian soldiers in Somalia— The opposition immediately charged that the inquiry lacked the power to look into the real question: whether Ms. Campbell covered up the shootings. "This is a smoke-screen, and it's hiding the major issue," said Liberal MP Fred Mifflin. "The only thing that has to be investigated is the conduct of the minister. She had information that she didn't give."
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> A nice line, skilfully delivered, but quite wrong. There are, in fact, two major issues in this case, neither of them connected to what the minister knew and when she knew it. They are: 1) What actually happened in Somalia? Did soldiers of the Canadian Airborne Regiment shoot two Somalis in the back as they fled from a military compound on March 4, as an armed forces doctor has alleged they did? Should the soldiers face murder or manslaughter charges? 2) Do the shootings fall into a wider pattern? Are there, in Ms. Campbell's phrase, "systemic problems" such as racism or poor training in Canada's Somalia force?
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> The first issue is the responsibility of the military police who are investigating the case. The second falls to Ms. Campbell's inquiry. The difficulty is keeping the two apart. Court decisions in Ontario's Patricia Starr affair and Nova Scotia's Westray mine disaster have established that it is unconstitutional for government inquiries to assign criminal responsibility. That, the courts say, is strictly the role of the courts.

In other words the accusation by the member for Winnipeg South Centre that not having this in public is somehow a cover-up or a smoke-screen is not just absurd from a common sense point of view, there are actually two court decisions verifying it. Two court decisions say that it would be unconstitutional to do what the member for Winnipeg South Centre said should be done.

Small wonder his credibility is sinking as rapidly as it is and that people are looking at any alternative as a preferable one. He engaged in a 20-minute partisan, irresponsible, distorting rant about what in fact is happening and what should happen. He knows it and honest hon. members know it. He stood up and said that what we need is a debate. A debate is an opportunity for

people to put forward ideas, ideas to be heard, challenged and exchanged.

I listened to his entire speech and did not hear any suggestions, any ideas, any positive proposals from the Liberal Party critic on what in fact should be done. Well, maybe one. He said: "No helicopters". I will look into that.

• (1135)

Then he said that we need more permanent troops and that the reserves should not be used in peacekeeping forces. Where should the reserves be used and what have we got reserves for? He says that they are not supposed to be used and that they are inadequately trained. On what basis would he make that assertion? On what basis would be make the assertion that Canadian reserve troops are inadequately trained and cannot do the job that is asked of them? No experience of mine or of anybody I know would verify that bold accusation made by the hon. member.

He criticized DND policy in a general way by saying it was totally inadequate to today's needs, but he did not say what was inadequate about it. I do not know if he knows what the policy is generally. He certainly did not offer any constructive suggestions.

Fundamentally, in terms of DND's operations, its budget is allocated by this House and moneys are appropriated each year for its operations. It has been trying since long before this government came into office to follow a policy of roughly 75 per cent of the annual appropriation to be used for the operations of the military in terms of personnel, operations, maintenance and so on, and about 25 per cent to be used for capital equipment.

The equipment acquisition programs are long scale. There is a tremendous amount of planning. It takes many years to design and develop, to issue contracts and have the equipment built. Goodness knows, Canada has not been exceptionally extravagant in the purchase of military equipment. In fact, we spend as a percentage of our Gross National Product on defence, less than any of the NATO countries, with the exception of Iceland and Luxembourg. I do not know how accurate it was but I read a quote from former Major-General Lewis MacKenzie who said that we have the 125th largest army in the world. It may be an exaggeration but not that much. We do not spend anywhere near as much on defence as do most countries.

Clearly, what we do is very important and it is necessary for our military to have the proper equipment. The military has looked at the needs and there are needs everywhere. There are needs for new tanks and for new equipment for the army, navy and air force. Every arm of the forces needs new equipment.

In the military's own priorities it has said the important thing to do now is to replace these 35-year old Sea King helicopters because they are no longer adequate to the task. To continue them in the air without tremendous investment in upgrading could, in fact, be dangerous. What is the use of having equipment that absorbs a whole lot of money in terms of maintenance but does not do what is required?

As indicated in an earlier debate, a number of years ago it was decided that the Canadian Navy Maritime Command would acquire frigates. Frigates without helicopters are like aircraft carriers without planes. The helicopter is an absolutely essential ingredient of the frigate. It is its eyes and gives it range. It allows it to patrol much larger sections of the ocean. We have the largest coastline in the world.

Certainly not in my lifetime, hopefully in the lifetime of my kids or grandkids, but even then we do not know that we will reach a situation where countries do not need that. But we do need the capability today to patrol our shores, to exercise sovereignty, not just in terms of Russian submarines, but in all foreign operations within Canadian territorial waters and off our shores. Whether it is for security, fisheries, drug interdiction, or simply for the political reality that if we cannot exercise jurisdiction over our land, our geography, then we cannot really claim to have it.

After careful examination the EH-101 was decided as the way to go. That was approved unanimously by a committee of this House. Members of the committee included two from the Liberal Party and two from the NDP. They all agreed unanimously that this was the way to go.

• (1140)

The opposition says: "It costs too much. It is going to cost $5.8 billion". That is wrong, wrong, wrong. The helicopters will cost $2.4 billion and the additional spare parts, training and so on of the whole program will add another $1.6 billion. That is in 1992 dollars. It can be

stretched out over 13 years so that if there is inflation in the time predicted the total cost in these inflated dollars would be $5.8 billion.

If you want to really distort it, why not just talk about the helicopters and what they might cost in terms of dollars in the year 2043? You could probably come up with a figure of $20 billion. On the other side, if you want to make the number low, talk about what it would cost in 1950 dollars. You would probably get it for less than $1 billion.

Are those numbers meaningful in terms of the kind of intelligent debate we are being asked for in this House? Of course not. Those are distorted, warped, ridiculous numbers. What is the alternative?

The Liberals at one time although they do not talk about it now said: "Re-do the Sea Kings". The hon. member for Winnipeg South Centre, having spoken, is not here to listen to the rest of the debate but I hope he is reading the *Winnipeg Free Press* of Monday. If he read it he would see—

Mr. Mifflin: Madam Speaker, I have a point of order.

The hon. government House leader of all people knows that he really should not make reference to those members who are not in the House. I would ask him to take note of that, please.

Madam Deputy Speaker: The Chair does agree with the hon. member and would appreciate the minister taking notice as well.

Mr. Andre: The article in the *Winnipeg Free Press*, the home town newspaper of the hon. member for Winnipeg South Centre, states:

> No one really knows what Axworthy would do except that he would not buy 50 EH-101 helicopters. He might buy fewer of a different helicopter or might refurbish the Sea Kings and Labradors we now own. Either way, he would not be acting in Canada's best interests. Nor would he be saving us much money—Without proper helicopters many more frigates would be needed to do the same work. Helicopters are cheaper than frigates, both to build and operate—It is simply not true that the new machines cost $100 million each. The $5.8 billion represents the cost of the program, spread over 13 years. About $2.06 billion will be spent on the machines themselves, making the unit cost $44 million. The cost of refurbishing the 31 Sea Kings we own would be $25 million each.

Therefore, the Liberal Party policy is that we do not buy EH-101s. What we do is refurbish the Sea Kings for $25 million each. They would last about 10 years. They would then be 47 years old. Who would drive a car to Toronto that was 47 years old, let alone fly in a helicopter 47 years old for goodness' sake?

What the Liberal Party would do is spend this money now. The Liberals would spend that money over seven years. The net result is that for the next seven years the annual cash flow whether you go for EH-101s or refurbished Sea Kings is the same. There is hardly any saving at all which is the intellectual dishonesty of the members of the Liberal Party.

I saw the leader of the Liberal Party on budget night when he said on being asked how he would cut the budget: "I would get rid of the EH-101s". If they followed that policy, there would be no savings, zero, none for the next seven years on that policy.

At the end of it all, we would have ancient Sea Kings incapable of flying and the necessity to buy new helicopters. Does that make economic sense? Only to a fool does that make economic sense, let alone the intellectual dishonesty of claiming that this is how you balance the budget.

What absurdity, what childish absurdity this is. They say: "Take us seriously. We are ready to govern this country". Heaven forbid.

If there was any intellectual honesty in this debate, and I welcome in an election honest debate about what the armed forces should do and what our policies should be, we would not be making silly statements like: "We are going to balance the budget by eliminating the EH-101". We would not be making those kinds of silly statements. It is hard to take anybody seriously who commences his debate on defence policy by making that absurd statement.

• (1145)

The Canadian Armed Forces are doing a magnificent job despite the fact that we have not been excessively generous in terms of their financing. We spend less on defence than most countries of the world, as I indicated. This is so for all the significant NATO countries. They are respected world-wide. Canada has participated in every single peacekeeping action since it started in 1948 or whenever it was.

We are respected because we do a good job. We do a good job because by and large until very recently defence has been a fairly non-partisan thing in this country. By and large there has been a respect on all sides of the House of the role being played by the military and the necessity for us to rise above partisanship when it comes to looking at this important role with respect to the country.

Unfortunately, that partisanship was put aside in the context of a leadership convention in our party and the fact that one of the candidates is the Minister of National Defence. Unfortunately that led to wild exaggeration and extravagant arguments. More dangerously, it has led to suggestions by the hon. member for Victoria for example, and others, that in fact we put aside our long tradition of fairness in criminal examinations and the necessity for the assumption of innocence and allowing the process to proceed in confidence so that reputations are not unnecessarily damaged.

The suggestion is to put all of that aside and that when the Minister of National Defence proceeds in what is a proper way—everybody knows it is a proper way—that that should not be allowed to stand and she should be attacked as covering up and as somehow derelict in her duty because she does not stand up in the House and give all the details of what is going on in respect of that criminal investigation.

It is most disturbing that hon. members would do something like that. Our Standing Orders in this House and the practices say that it is against the rules of the House to ask questions about subjects that are *sub judice* meaning they are under investigation. No one in this House would ask the Solicitor General to stand up and give the details of a case being investigated by the RCMP knowing that that would deny the rights of those being investigated. Yet that is exactly what the opposition is asking for here. That is exactly what the opposition is asking for in this particular case.

Mr. Brewin: I am not.

Mr. Andre: Maybe it is not that hon. member but his colleague from Winnipeg South Centre has been saying exactly that over and over and then again this morning.

He stated, for example, this morning—he came as close as one can without breaking the rules—that the Minister of National Defence was misleading the House in respect of what she said regarding the March 16 incident. It is incredible. The Minister of National Defence said all she could say as everybody knows. She said she knew about the incident, that an investigation was under way, and that any further comments about it would be in violation of her duties, which resemble those of a judge in respect of this investigation.

She said all she could say. That is established. That is taken by the member for Winnipeg South Centre as somehow being derelict in her duty and for not coming forward and not being forthcoming in all of this information that is asked by him in his pursuit of knowledge and information only. That is absurd. What he is pursuing is an attempt to damage the reputation of the Minister of National Defence and nothing else. That is the pursuit of the member for Victoria and nothing else.

• (1150)

The member for Victoria talked about a report he had on the situation in Somalia and said that the object of that exercise was to create a secure environment. Stripped of the niceties, it was to try to get food to those starving kids we saw on television. That is what it was all about. The situation there had broken down entirely. After a UN resolution, an American-led force went in to try to establish a secure environment so that in fact food could be provided for those who needed it.

He said they did not do it perfectly. His comments are interesting. I have not read that report but he said that in southern Somalia things are not going that well. It is interesting that the Canadian operations are in northern Somalia. Presumably that study did not have anything critical to say about the Canadian operations and that must disappoint the hon. member in that regard.

Madam Speaker, I see you indicating that my time is up.

Let me talk about any objective observer. Indeed an editorial in *The Globe and Mail* this morning establishes that in regard to the incidents in Somalia the Minister of National Defence's posture and demeanour have been exemplary. It is exactly what is required as established by precedents in the courts. With regard to the Canadian Armed Forces they are behaving properly as they always have. This side of the House disputes absolutely those

criticisms levelled directly and indirectly at the Minister of National Defence and the Canadian Armed Forces.

Mr. John Brewin (Victoria): Madam Speaker, the government House leader has read an editorial that he seems to like.

He has misquoted it. Of course it did not say anything about how the Minister of National Defence has handled this in an exemplary way but I guess we will leave the editors of *The Globe and Mail* to deal with the minister and defend their reputation. He seems to have a propensity to exaggerate when it suits him.

Mr. Crosby: I have lost track. We have had debate. Has the period for questions and comments not expired?

Madam Deputy Speaker: We are just starting the question or comments period. The hon. member for Victoria has the floor.

Mr. Brewin: The member should recognize that what he just heard was a speech but it did not sound like it. It was a ramble.

In any event in the course of his ramble the government House leader quoted one editorial. I would like to quote another because I have a certain affection for this particular editorial as the government House leader had for the one he quoted.

This is *The Edmonton Journal* of April 23, 1993 under the heading: "A cover-up in Somalia?" I will not read the whole editorial but the part I especially liked went something like this: "The military never did bother to issue the same press release in Canada. If an observant small-town Ontario newspaper reporter had not been on the base at the time Canadians still might not know that five soldiers are under investigation for the fatal beating. Ottawa abuses the public's considerable regard for Canadian peacekeepers with this sort of duplicity. To add insult, government House leader Harvie Andre criticized New Democrat MP John Brewin this week for daring to raise the allegations in the House. 'I am absolutely astounded that the member would malign and slander the Canadian Armed Forces in the way he has just done,' Andre said indignantly. Brewin did not slander the entire peacekeeping operation. He only questioned the professionalism of a minority of soldiers involved in the two events. This is his right as a citizen and his responsibility as a member of Parliament".

I first brought to the attention of the House a report about the March 4 death being called a deliberate homicide. We have since had some further corroborative evidence presented that that was in fact the case. There is an investigation going on. I did not mention the name of anyone who was involved. I certainly made no general maligning, insulting or slanderous comments about our Canadian Armed Forces.

In fact I have the highest admiration for the professionalism of our armed forces in Somalia and elsewhere.

• (1155)

I am quite satisfied the Judge Advocate General's branch is proceeding efficiently with respect to the investigation. My complaint from the beginning has been with the neglect by this government of its duties in respect of this, the speed with which it responded to the facts it had available and to the way in which it has handled. This in my view has led to the damage to the reputation of our peacekeepers.

Let me ask the minister to comment on the board of inquiry. I have here in my hands the speaking notes for the chief of defence staff issued yesterday that limits the board of inquiry to looking at the issues respecting the Canadian Airborne Regiment there and further limits the inquiry from looking into the incidents themselves.

In view of that how does the minister justify the approach he had taken that, first, this is properly private? The board is not going to be looking into the issues that led to the criminal investigations at all but rather into something completely different.

Second, how does he justify his verbal assault on members of this side of the House for raising issues which surely he would have to concede are the duty of the members of this House to put before the House?

Mr. Andre: Madam Speaker, let me first deal with *The Edmonton Journal* editorial because they have it wrong just as the hon. member has it wrong. The incident in question occurred on March 16.

Mr. Brewin: The one I raised was March 4.

Mr. Andre: I am sorry. The incident in question occurred on March 4 in Belet Huen. The press release was posted in Mogadishu on the bulletin board. Listen to this. It was first reported by Radio-Canada and not by this reporter from Pembroke. So the *Edmonton Journal* in its zeal to criticize this government has the wrong facts as usual. It is not considered a newspaper of record.

Mr. Mifflin: You will be sorry for that Harvie.

Mr. Andre: No, I live in Calgary. The hon. member is leaving before I get a chance to give him his answer. He asks me a question and then he leaves. For goodness' sake. Gee whiz. The hon. member asked me the question. Then he says: "Treat us responsibly because we are asking information. We want the answers". He asks a question and then he leaves the room.

I think my case is proven. This guy does not give a darn for the truth. What he cares about is maligning the government. The evidence is there. It is self-evident. He asks me a question and then he leaves the room.

Incidentally the answer to his question is that two courts have said that government public inquiries cannot go on when criminal investigations are going on. That is why the inquiry cannot look into those matters and cannot be held in public. It is dealing with aspects of the military with the Canadian Airborne Regiment if you will. Some of the soldiers who are the subjects of the investigation are members thereof. The segregation would be very difficult.

Again I go back to say that it is something improper to suggest that the members of the *in camera* inquiry cannot be trusted to do the right thing. As I asked the hon. member for Winnipeg South Centre, I ask him which members of that inquiry are the ones who cannot be trusted to do the right thing if they inquire *in camera*?

What justification is there for suggesting that we cannot trust their results unless they are done in public? If they are done in confidence without the glare of the cameras why can they not be trusted? I dispute absolutely that these individuals cannot be trusted to carry on a fair, impartial, in-depth and proper inquiry *in camera*. I dispute absolutely the implied accusation that these people cannot do the job they are asked to do.

• (1200)

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I want to ask the hon. House leader a number of things I have trouble understanding since he is here, has spoken and it is relative to the subject.

On April 2 I asked him when the minister had been informed about the March 16 incident that he recalled. This was not a partisan question. I just wanted clarification. I have forgotten and I am not going to quote what the minister said. He knows what he said. He did not answer the question and suggested the minister was doing her job and there was no problem.

The House recessed for Easter and then on April 19 the hon. member may recall the minister responded to a question and said that in fact there had been an unforgivable error, I think were the words she used, in communications within the Department of National Defence. In other words she did admit there had been something that was not usual.

She went on to say it was: "an unacceptable mistake and that this information"—that is the March 16 incident—"was not communicated to defence headquarters".

The minister's own staff said the next day that the minister was briefed on the subject on March 17. How could it not have been sent to defence headquarters when the minister was briefed? I have trouble with that. Maybe the minister has an explanation that would satisfy me.

Mr. Andre: Madam Speaker, I understand the nuance here. The incident occurred on March 16. A press notice was posted in Mogadishu the next day and the Minister of National Defence was informed the next day. The local investigation was held, the report came in, headquarters decided this needed a more in-depth investigation and a team was sent out.

What the Minister of National Defence said was not that DND had not been communicated with but that DND had not received the press release that was issued in theatre. She has issued instructions that from now on when there is a press release in theatre it be communicated to National Defence.

Some 290 Somalians have been killed as a result of the total UN action. You can well understand that if there is an incident and we post a press release, sometimes nothing happens. It could be a news judgment that in

view of everything else happening it is just not reported. Sometimes it is not reported. If the press release is sent to DND then DND can judge whether this is adequate public notice of the situation or not.

Yes, DND knew about the incident. Yes, the minister knew about the incident the next day. What the minister and DND did not have, which the Minister of National Defence said, was the press release itself. They did not have a copy of the kind of information issued in theatre.

The change in procedure is that from now on whatever is issued in theatre will be transmitted totally to DND so there is no longer that lapse where headquarters in Ottawa and the minister do not really know what has been communicated to the media in theatre because there has not been that kind of direct consultation. That is the situation.

There was no attempt to suggest that she did not know about the incident. What she said was that DND did not have a copy of the press release.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I rise to address this subject which the hon. House leader has said is a very serious indictment of the Minister of National Defence. In all seriousness it is addressing the credibility of the Minister of National Defence. I know members on all sides of the House take the motion very seriously.

I also want to say it is not in a light manner that I stand here this morning and discuss this subject. I would not be here representing my party discussing this issue if I was not convinced that there are pieces of evidence, gut feelings and intuition on my part together with spaces in the credibility of some of the answers I have received this morning and some gaps in the chronology. I will be very clear on that. While I am a member of a team and participate in all my party's activities, I would find it impossible to stand on my feet this morning and discuss the credibility of a Minister of National Defence if I were not convinced in my own my mind as a result of my background, what I have seen in the House and my careful analysis of the issues. I want to set the record very clear on that.

• (1205)

I do not intend to participate in partisan debate. I will not speak for others and I want to make that clear as well. I also want to make clear one other very major point. There is no member of this Official Opposition, and I hope no member in the House who does not have anything but the greatest respect for our men and women who serve in uniform. I can assure you, Madam Speaker, this House and anybody who is watching this debate this morning that nothing that is being said here, and certainly nothing I am saying, questions the credibility of the Canadian forces. Over its lifetime it has had a credibility that has never been successfully attacked. I am very proud of that as a Canadian and I believe all members of the House are proud of that.

I would ask you to remember these three caveats, Madam Speaker, and put them in perspective as I launch into my address this morning.

I would like to remind the House that in the recent past we in Canada, like the rest of the world, have been subjected to change in very important issues. It is very difficult for any government, individual or groups of individuals to cope with these changes.

Relevant to the responsibility of the Minister of National Defence the first issue is that the cold war is over and it ended abruptly. The nature of peacekeeping operations in the world has changed significantly in scope. The range of peacekeeping verges on peacemaking or almost war. A large number of peacekeepers are participating in peacekeeping throughout the world from a number of countries. That is the trend we see.

We have seen significant changes in how these issues have been addressed and what the public perceives in how response to these changes has taken place.

The two issues in question today involve peacekeeping and the acquisition of a major capital program, the EH-101 helicopter. Let me address the peacekeeping issues first and how they relate to the motion on the credibility of the Minister of National Defence.

In the general sense I believe the whole issue relates to how we have participated in peacekeeping in the recent past. In the specific sense it is how the four

incidents in Somalia have taken place: the chronology, the logic, the gap and what this all means.

Madam Speaker, I want to tell you that I need to discuss the four incidents not in detail of the legalities or the justice involved. I just want to talk about their chronology. I am going to take the March 16 incident first. Anybody with any grain of sense, any sup of intuition and any knowledge of how things occur in a sequential manner would have great difficulty following the chronology of that incident of March 16. What I am giving you is factual and not conjectural. It is objective and not partisan. On March 16 an incident happened in Somalia. The incident took place and in accordance with Canadian forces' orders, national defence headquarters was informed—we had some trouble getting that information—and the Minister of National Defence was briefed the next day. So on March 17 the minister was briefed.

• (1210)

Nobody in Canada nor members of the Canadian media who were in Somalia at the time knew about the incident. The minister knew about the incident on March 17 but nobody in Canada knew until an investigative reporter broke the story toward the end of March.

A question was asked in the House of Commons on April 2 on the subject, which is the subject of a question I just made to the hon. House leader. His response was not clear. He did not answer the question and he referred to ministerial responsibility. He certainly created the impression that nothing was wrong, everything was right and was being done normally.

I questioned the minister the first day back after the Easter recess. The minister in response to my question about when she knew and why she did not tell the Canadian public, turned to the department and said: "A bad mistake was made; an unacceptable mistake was made". The minister went on to say: "This was not communicated to defence headquarters".

I just questioned the hon. House leader of the government on this subject and his explanation to me of what the minister meant when she said the incident was not communicated to defence headquarters. I find that very strange. The House leader says the minister meant that the so-called press release, which was a piece of paper tacked in an area hundreds of kilometres away was not communicated to headquarters and therefore did not get out to the Canadian public. He suggested it was all inadvertent.

Members of the media in Somalia on the very site where this happened asked questions of the military unit there and were denied information. The Minister of National Defence was briefed on March 17. She said she knew, in accordance with one of her statements. She told the House on April 26 that she was not aware the case had serious criminal overtones until much later on March 31. Yet she did not tell the House anything about it until April 19.

The chief of the defence staff, in his press conference yesterday said very clearly that the Minister of National Defence knew about criminal overtones on March 18. Now the hon. House leader tells me the minister meant that headquarters did not know because it did not get the press release.

My goodness, the minister knew something serious was going on in Somalia. Did she not think it strange when she read the newspapers the next day and did not see anything there? Did she not concern herself about the public information aspect? Did she not ask herself the question: What are we going to tell the Canadian public about this? What was her reaction when there was no media coverage of the incident? That went on for days and weeks and I do not know how long it would have gone on if an investigative reporter had not broken the story.

The chronology just does not fit. It does not make sense. That is the issue from the Official Opposition of the Liberal Party. The issue is not the details of the case nor the criminal aspects. What is wrong with the chronology? Why will the minister not make it clear why she did not make this information public the day she knew instead of expecting the House to believe it was all because of the press release that was not issued.

• (1215)

There was no press release. Something happened. There was a notice put on a board. Now she is blaming the department for not having a press release sent to the proper channels when she knew about it. She could have ordered a press release herself. Why did she not order a press release?

Why did she not order her department to make a release? Why did she not ensure it was released? The Minister of National Defence is charged with the management and direction of the Canadian forces and the

Department of National Defence. Why did she not direct the information to be made public? Why did she not manage the information better? That is the issue.

I want to take another issue on March 4. March 4 was apparently an oral briefing. It certainly was not reported in Canada. It was not until April 19 or April 20, almost two months later, that an investigation took place into the incident.

When I say an investigation, I mean a proper investigation. Why did it take two months for this to happen? Why did the minister not inform the House if she knew, which I presume she did? If she did not know, why did she not know? What did she do about it when she found out?

These are very legitimate questions. These are questions that the opposition is paid to ask. The Canadian public is asking those questions. People are not asking to know about the details of what is happening in the cases. They want to know why they were not informed and had to find out through the back door. Every day we are finding out things through the back door. That is the issue.

Regarding the credibility of the minister, we are participating in 18 peacekeeping operations if you count them all, 4,700 troops at a time when the cold war is over. The army has been reduced by 4,000. The Department of National Defence is being reduced in operating and in over-all expenditures and capital outlay. Yet we have never debated this issue in the House of Commons. Why? Is it not important enough? Should the opposition not be involved? Had there been a debate, perhaps we would not have 4,700 peacekeeping soldiers committed.

Perhaps we may have had different units in different places. Perhaps we would have said no to some of the commitments that we were asked to respond to. Why do these questions arise? Whenever you have questions they are red flags that tell you that there is something wrong.

The red flag in the case of the incidents in Somalia is very clear. I have just spoken of them. The red flags that we were doing something wrong in peacekeeping were two serving generals in uniform speaking out about the way we do business. This is unprecedented. The minister of external affairs tells the standing committee that we are being stretched very thinly. Two military doctors speak out at their own risk. This is unprecedented.

Member after member with expert knowledge expressed concern to the Standing Committee on National Defence and Veterans Affairs about the number of troops, the mix to reserves and to regulars. I want to correct something that the government House leader said.

There was no suggestion that the opposition does not want reserves to participate. The point made is that 55 per cent of a unit to participate in the kind of peacekeeping operations at the end of peacekeeping, more like peace making post to war, is out of whack by all the standards. Maybe it should be 10 per cent. Ten per cent has been recommended. That is what the experts said in committee. Twenty per cent maybe but 55 per cent, there is a red flag. There is a signal that the control mechanisms in place are telling you to stop and look at what you are doing. Question after question from the opposition, speech after speech, the adjournment debate, asking the government to stop. There is a red light and it is still on. It was amber but now it is red.

• (1220)

They ask what is the relationship of this to the Somalia incident and the credibility of the minister. If somebody had watched the red lights, maybe these incidents would not have taken place. The whole point is we need to debate the issue of how we peacekeep, how we respond to peacekeeping requests, the force structure and the detail of why we do what we do.

I want to address one more subject. I am not very happy to hear the government say that we are only addressing and raising these issues because the Minister of National Defence is involved in a leadership race. I do not have a problem with that. We are interested for the reasons that I have just suggested. There is a break in the chronology, things do not make sense. There are too many red flags. That is why we are raising the issue.

If we were to raise the issue because the Minister of National Defence is running for the leadership of this country, do you not think the Canadian public have a right to know if the Minister of National Defence, charged with the management and direction of the Canadian forces and the Department of National Defence, can do that properly before they go on and judge

whether she can run the country? Is that not a legitimate concern? I do and I do not take any objection to that accusation being made by the government.

I have absolutely no remorse for saying yes, maybe we are attacking the minister because she wants to be the leader of the country. Let us find out how she is doing in national defence before we give her the responsibility of the country. I would like to know that and I know other Canadians would like to know that. I bet there are some members on that side of the House who would like to know that. I make no apologies for that, although in the first instance my concern and the concern of my party is based on the legitimate difficulties that we observed from looking at this case in detail, the case of peacekeeping and the incidents in Somali that have shown less than good, strong leadership, the kind that we need in this country.

On the helicopter issue I want to say that there are as many red flags on the EH-101 as there are in peacekeeping. I just want to make one comment in response to something that was said over there. My good friend, the member for Halifax West talked about the number of jobs. I have a report from an expert organization that says for every billion dollars spent on military procurement, 28,000 jobs are generated. If you spent it on public transportation you would get 32,000 jobs. If you spent it on infrastructure you would get 57,000. If you spent it on education you would get 71,000. Whatever arguments are put forward, do not put that one forward because it does not make sense.

In conclusion, my point is the issues are raised about the credibility of the minister for good reasons. I say they are not partisan reasons. They are certainly not from anything I have said this morning. We need a public debate on peacekeeping and how we do business because of the changing factors involved. We need a public debate on how we acquire major equipment for the Department of National Defence again because of these changing issues.

• (1225)

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a comment and a question for the member for Bonavista—Trinity—Conception. Let me say to him first that we all come to this House of Commons from different backgrounds. I appreciate that his background is in the defence field and that he has had a very important career in Canada's military. But when he comes to the House of Commons and says "nothing I say today, none of my remarks, reflect adversely on the credibility of the Canadian Armed Forces or the officers, men and women of the Canadian Armed Forces", that is a caveat that does not wash.

The member must know, as we all know, that the Minister of National Defence acts upon the advice of the military officers. The chief of the Canadian forces, the assemblage of high ranking officers are continually advising the minister and nobody has suggested that the Minister of National Defence in any of these areas has acted on advice other than the advice of the military.

While it is generous of the member to announce to the House of Commons that nothing reflects adversely on the military in his remarks, he knows and the military knows that that kind of criticism does reflect adversely on the Canadian forces when it is suggested that the policies being followed have dire results. He knows and we all know that those policies are based upon the advice of the military, including the chief officers of the military.

Because he only had 30 seconds to deal with the EH-101 helicopter contract, he confined himself to a remark about the industrial spin-offs in employment. I want to remind him that a billion dollars in unemployment insurance would keep a lot of people happy. What we are trying to do as a government is balance government expenditures to produce the services required for the Canadian people as well as create employment. It is not to create employment that the EH-101 helicopter contract is being promoted and implemented. It is to serve the Canadian forces and the national defence interests of Canada.

If the member wants to make a comment about the helicopter contract and other matters he should simply state what his view is on that particular contract on the equipment of the Canadian forces, whether it is necessary. Does he agree, for example, with his colleague from Winnipeg South Centre who says we must change the policy, that we do not need helicopters, we may not even need patrol frigates because we are not going to be attacked.

That is what I want to ask the member, not whether he quarrels with the industrial spin-off, not whether he quarrels with the quality of the contract, the nature of the equipment, but whether he believes we do not need a Canadian navy any more and we do not need patrol frigates and we do not need helicopters. What is his position on that issue?

I would like also to deal with the matter of our policy in Somalia. I simply want to say this, and perhaps the member might want to comment on it.

On the highways and streets and roads of Somalia we cannot judge our Canadian Armed Forces' members by Canadian standards that prevail in the cities and towns of Canada. We cannot simply expect them to behave exactly as they would on Wellington Street or the streets of St. John's, Newfoundland or Halifax, Nova Scotia. Our laws do not have extraterritorial application. We simply must judge them and exercise jurisdiction over them in the manner endorsed by law, and that law is the National Defence Act and that law has been followed in this case.

I also want to know whether the member quarrels with that. Would he have the Ontario Highway Traffic Act apply on the streets of Somalia to Canadian Armed Forces' drivers? Is that his intention? I want him to understand and I want everybody to understand that we cannot judge our forces by prevalent urban city standards in Canada.

Mr. Mifflin: Madam Speaker, the hon. member who is normally very cogent seems to have fallen out of the track this morning. He has covered a wide range of issues, from the responsibility of national defence to the highways act in Ontario, to helicopters and the responsibilities of the minister.

Before I answer his questions, I want to tell him that I presume he has misunderstood what was said by the hon. member for Winnipeg South Centre. He did not say that we did not need patrol frigates; he did not say we did not need a navy; and if the hon. member had had a difficulty with what the member for Winnipeg South Centre had said, I wish he had put those questions to him when he was in the House and not to me after the hon. member had to leave to keep an important appointment in Winnipeg.

• (1230)

The other thing I want to say to the hon. member—

Mr. Epp: He left right after his speech.

Mr. Mifflin: It is a distortion anyway, that is my point.

I want to address one aspect of what the hon. member for Halifax West said. It is absolutely incredible that he suggested that the Minister of National Defence does what the minister is told by the department. That is absolutely incredible. The minister, under the National Defence Act, is charged with management and direction. That is her responsibility. How can one give direction if one always follows what one is told?

I happen to be aware of one Minister of National Defence who was briefed on the acquisition programs of the Canadian Armed Forces. He was told by the senior members that Canada could not afford nuclear submarines. That particular minister directed the Canadian forces to conduct a study to determine whether nuclear submarines were possible. That is the kind of direction I would expect the minister to give. That is the kind of direction we would expect any minister to give, including this minister.

If the hon. member closely looked at the point he raised, if he is suggesting that the Minister of National Defence parrots everything that is said to her by the department then we may have some evidence to support the suggestion in the motion that she suffers a lack of leadership and direction.

I am going to be kind to the member and suggest that any minister worth his or her salt in any department would not just follow the information given to that minister by the department. Presumably it is a two-way conversation, a two-way exchange of information.

I still find it incredible that the minister on March 17 would have been briefed by national defence officials about the serious incident and not have been briefed on the public relations aspect, on whether or not there should be a media release in Canada. That I do not understand. I do not credit the department with that. Whatever advice was given, whether it was positive or negative, the minister should have said that this is a serious incident, and I believe I am on firm ground here. If she had known about the incident on March 4, which was an equally serious incident, she should have at least said: We have not heard too much about the March 4

incident but we had better now do something about this incident because it is similar.

Whatever happened, whether the minister directed that media release be given, whether she directed that the Canadian public be informed, it did not take place. She did not inform the Canadian public until the news story broke. Everybody was kept in the dark and the information leaked out.

That does not show good leadership, in the evidence or the results, no matter what went on. I suppose we will never know the story about what happened exactly.

Did the minister do what was recommended by national defence or did the minister give direction that (a) it not take place, that Canadians not be informed, or (b) that whatever direction was taken she agreed with national defence?

I have no problems with a board of inquiry being conducted by any officer in the Canadian forces. With a major-general conducting a board of inquiry no Canadian would have any difficulty in believing, and rightfully so, that the information would be anything but objective. However that inquiry, by the very nature of what sparked it in this House, goes outside the military. How can we expect a major-general to inquire into the conduct of a minister? It does not happen.

• (1235)

We are suggesting that there be a public inquiry where these facts will be brought out to the public, not at the end of July but as they occur. We need to know now. This is not going to die. The media will continue to probe and the Canadian public will continue to ask questions.

My response to the hon. member is that I believe he has some of his information wrong. He has certainly distorted the information that was given by the hon. member for Winnipeg South Centre in his speech. If what he believes about the minister is true then he is agreeing with the motion.

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, when I was informed last night about this debate today I found myself in a very difficult position.

It is no secret in this House and in other places that these days I am quite closely associated with the Minister of National Defence and Minister of Veterans Affairs in her quest to become Prime Minister of this country.

My initial reaction to this particular motion and the way it was put forward was anger. I wrote eight or nine speeches in my mind over a period of three or four minutes and realized that was probably not the best approach to take.

In considering whether I wanted to participate in this debate I worried very much about bringing the campaign and process that so many very capable people in my party have offered to participate in, and for which they have offered themselves to this party and this country, into this House. That would not be a good idea either.

I did not want to take advantage of this opportunity to promote my particular choice over the others. I feel very strongly about the choice I have made. However I also feel very strongly that every one of those candidates from this institution would make a tremendous leader of my party and my country.

I thought about it more in the context of what is happening here politically and what it means for us as a government to support the Minister of National Defence and Minister of Veterans Affairs in the job that she does. I debated with some of my friends and my colleagues in the minister's office and in the House leader's office about whether I would participate.

By this morning I had calmed myself down. As I started to think about this debate and about the process that has been going on here in terms of the way this House has been forced to deal with this issue, it became perfectly obvious to me that this House has not been asked to deal with the issue in terms of national defence and the management of a government department. It is about the desire of some people to make political points, and not just on the back of the Minister of National Defence and Minister of Veterans Affairs or the House leader but potentially if there is an environmental issue, on the back of the Minister of the Environment, et cetera.

This is on the backs of the people caught in the middle of this, the soldiers, the men and women, the regular forces and reservists who are serving not only in Somalia but in Bosnia and 17, 18, 19, or 20 other theatres around

the world. To some extent they accept some of these risks. It is also on the backs of the families.

There are about 1,100 men and women from this country in Somalia. I have not been to Somalia. I have spent a fair bit of time in Ethiopia, Eritrea, Sudan and 16 or 17 countries to the west of that. I can imagine what Somalia is like. I have not been in a war situation. I have been in some civil war situations in which there have been firings and shootings. I have been in military operations in Central America.

• (1240)

To a family that is sitting in Petawawa or St. John's, Newfoundland whose mother, sister, father, brother, son or daughter has gone off in a plane to a land people have no concept of, to a situation that people can only imagine, where there have been incidents—and sure there have been incidents. There are 1,100 people there, 845 of them from the airborne division. It is a very tense situation in a very hostile land with a very hostile environment and a very hostile political climate.

The men and women who are left here to worry about their loved ones are all of a sudden confronted with the perception out of this place that every single one of them over there has been involved in some sort of violent or untoward incident. In the process of trying to attack this government and the Minister of National Defence and Minister of Veterans Affairs we have completely forgotten those people.

Day after day outside this place, when the minister is not here, when the opposition is attacking the military generally from Colonel By Drive to the last buck private in Somalia there is no recognition that those people left behind make as much of a sacrifice and contribution in their own way. That is the shame of it. It is not the attacks on the Minister of National Defence and Minister of Veterans Affairs, the House leader, the Prime Minister or the Deputy Prime Minister. After the last eight years they are used to it in this place. However the abuse that is going on here is being heaped on top of those who are scared to death.

Preserver was over there. We remember the gulf war and *Protecteur* and *Preserver*. Thirty per cent of those people were Newfoundlanders. A lot of them had addresses that said they were from Dartmouth but many of those men and women serving on ships were Newfoundlanders. I was quite close to one family. I know what that mother went through every single day watching the television with her hands over her eyes but her fingers open because she did not want to miss anything. She knew in her mind that her son was okay and was going to be okay. The risks were there but they were minimal, but in her heart she did know what was going to happen next.

We get this resolution today. We get this opposition day motion clearly attacking the Minister of National Defence on her performance and what has gone on here and what has gone on there. I hear my friend, a former senior officer in the military, talking to me about credibility, about the credibility of the minister and the government. I want to address some of those points because they are important.

The minister, the House leader, the Prime Minister, the chief of defence staff, and a variety of spokespersons for the Department of National Defence and the Canadian Armed Forces have repeatedly put forward the incidents as they happened and the responses that went with them. Nobody has denied there have been problems.

I go back to Somalia and what we are dealing with there in a big international organization. Nobody has denied there have been questions about communications. What we have to put in context is what went on and what did not go on, and what gets said in this House about nobody knowing. I am not going back through it. It has been gone through already.

We are talking about credibility. We get a statement in this House that after the incident on March 4 nobody said or did anything. On the morning of March 5 it was on bloody *Newsworld*.

• (1245)

With all due respect, even for somebody like me who still remembers Don Jamieson doing the news with a Chevrolet car in the studio, I recognize that *Newsworld* is the news. Do not talk to me about credibility.

My colleague from Bonavista—Trinity—Conception was a commanding officer on more than one ship. He had very serious responsibilities in terms of maritime command and a number of different things.

Imagine that if every time there was an incident—I am not making this one seem smaller than it may be—the minister was on the phone to him saying: "Admiral, get the press release out. Admiral, I am going to be talking in the House of Commons this afternoon about what happened on the bridge of your ship last week or on the lower deck of your ship last week".

The Solicitor General of Canada does not come into this House every time there is an investigation conducted by the RCMP. The Minister of National Defence has never and should never come into this House to talk about every time there is an investigation, particularly of this nature, going on where the military is functioning.

It is clearly the responsibility of the Department of National Defence to ensure that people are kept informed. The process has been followed. The minister addressed it in her statement earlier this week in terms of the action that the department undertook to keep people informed.

In most of those cases people were kept informed. Incidents were reported. The minister quite clearly acknowledged that she knew there had been an incident. She did not know that there had been a homicide. How did she find out? The department instigated an investigation as the department should do.

We talked about management and direction. The minister has quite clearly said that there have been some problems with communications. She has ordered that they be fixed and that whatever information can be made public be made public.

Why would I say something like: "Whatever can be made public should be made public"? If there is a criminal investigation under way then first one wants to be able to finish it. Second, one does not want to prejudice the investigation and those who unfortunately may be subject to that investigation.

Perhaps we have a problem in that the Minister of National Defence and the Minister of Veterans Affairs used to be the Minister of Justice. She knows how the justice system works and must work. She understands her responsibilities within that.

There was an inquiry. It was a military inquiry with public participation. How did we get public participation in that sort of inquiry? The minister ordered that the regulations be amended. This is the sort of management and direction that my friend talks about.

The results of that inquiry will be made public as the chief of defence staff explained yesterday. The people will know what has gone on through that process. People will know that this sort of thing happened for a particular set of reasons. They will also know that the investigation that as I say unfortunately must go on will not be prejudiced by the inquiry.

I am very worried as I said in the beginning that my friends opposite have lost totally the focus. I heard some of the comments this morning of the member for Winnipeg South Centre. I have heard that sort of thing before: the desperation, the personal attacks and the bitterness. We have come to expect a little bit of it from time to time.

• (1250)

We have had to make some decisions in the process that the Minister of National Defence has pursued. She found herself spending more time on the telephone dealing with national defence matters, as she should and she must, that made it practical at the end of last week to continue conducting her political business that is part of her responsibility as a minister.

She returned to Ottawa and met on Friday and Sunday I think with officials of her department. She appeared in this House and with the Secretary of State for External Affairs took questions in this House. In areas related to the United Nations the Secretary of State for External Affairs rightly responded to these. In the areas that pertained to defence the Minister of National Defence and the Minister of Veterans Affairs responded to these.

She was again in this House on Tuesday. This opposition that wanted her so badly in this House to bring her to account asked one insipid, stupid question about her schedule. She sat there prepared to respond. She did interviews and responded to the media but there was not one question in the House.

When she is again out of town we come beating on the door. These great, valiant troopers are defenders of the people on whose backs they have tromped to make trite political points. When they really want to do some business and they have the minister here they are scared to death. They will not stand up in front of her and say:

"Minister, account for yourself" because she will bury them like she buried them on Tuesday afternoon.

The minister and this government, with the help of the House leader and the Prime Minister and all of her colleagues, have respected the military in this country and the role that we ask them to play, which in many cases is a bloody awful role and one that a lot of us would not do ourselves. One leaves one's family. We have some experience with that when we come to the battlefields of Ottawa. They are in deserts in Somalia and the heat of the Middle East, Pakistan and India and around the world. We impugn every one of them and we impugn their senior officers. Those who have been at fault in this will be found out, as well they should be, and dealt with fairly, equitably and justly within the criminal justice system of this country and the military.

However, let us not forget those who they have left behind and let us not leave them behind in our attempt to make some points as we go along.

I am tempted not to talk about the helicopters but I have not talked about the helicopters except on the late show. I have to say that I had some concerns about the helicopters like many others and like my friends across the way. I will say that I will continue to watch as it plays itself out because there have been some commitments made. I am very intrigued to know that we should get 15 per cent of the economic benefit of the helicopters in Atlantic Canada.

Frankly, I am most concerned about the capacity of Canada to protect those who make their living and make their income from the sea. A number of us, and none more than my friend from Bonavista—Trinity—Conception, have been confronted with the tragedies that happen at sea where people need to be protected and people need their lives saved. It is the nature of what we do.

The capacity of the current equipment simply is not there. What we are offering today is not good enough, particularly when there is better equipment available that is made in this country and will be made and sold from this country.

• (1255)

This is perceived to be some great Tory plot. I think we have to recognize that what we are doing is replacing our rapidly aging fleet over a period of more than 13 years within the context of the shrinking national defence budget. These are decisions that have been made by the Department of National Defence.

This is something that is not simply supported by us. I have a letter here from the mayor of the town of Gander, His Worship Doug Sheppard. I am not sure of his political persuasion and I certainly would not want to assign any unjustly. He quite clearly supports the helicopters and there are others.

I simply want to say in closing as it relates to the helicopters that it is not as cut and dried as everybody thinks. It is not $4.5 billion next year and that is it and we have helicopters. As we analyse both these issues we have to be open and fair and remember from where we have come. My biggest concern is for those who serve in the military and particularly their families and what we put them through. They are doing jobs that I, like many of my colleagues, probably would not do. I am very sad to see this day come where we have taken this type of advantage.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I have listened with great interest to my colleague opposite. I must say that in the time that I have spent in this Chamber, which has been going on in excess of 10 years in this great institution, I have never heard such gobbledegook and such distortion of the facts and the truth.

I have respect for the hon. member and what he has said. It does not necessarily mean that I agree with what the hon. member has said. The first point that the hon. member must recognize is that it was said clearly and unequivocally earlier this day that no one on this side of the House would dispute the fact that the Minister of National Defence has the right, and maybe the obligation, to seek the highest office in this land. No one has argued with that.

Equally so, the hon. member stands in his place and casts aspersions on those of us who sit in opposition to this administration for raising questions and for asking for debate only to be turned down at each and every opportunity. The purpose of today's debate is simply to discuss the issues and obviously the major issue of the day is the incompetence persistently and consistently of the minister responsible. This could have been avoided if clearer heads had prevailed and particularly if ministers opposite had taken the subject matter seriously and come into this House under ministerial statements—not after the fact but well before.

This hon. member from Bonavista—Trinity has been calling repeatedly and consistently for debate on the subject matter with regards to the training of our peacekeepers. That member over there has the unmitigated gall to question and to impugn the motives of that hon. member and this opposition party. I say to that hon. member that there is not a bone in his body that will not testify to the fact that the only reason he is here today to speak to this motion is because he happens to be the co-campaign manager for the Minister of National Defence and he is trying to protect that minister. That is the only reason the hon. member is here.

Madam Speaker, I am coming to my question. The hon. member said that on Tuesday we only had one question. It was the day after the budget, as the hon. member knows. The hon. Minister of National Defence had our resolution last night when she was here for the vote. I asked my colleagues to return to Ottawa to participate in this debate. Why?

I ask the hon member, why is it that no minister of the Crown is here, particularly the Minister of National Defence, nor the Secretary of State for External Affairs or the Associate Minister of National Defence to stand for the Armed Forces and give us more details with regard to the situation? I will tell you why, Madam Speaker.

Madam Deputy Speaker: I am sure the hon. member will calmly wait until after Question Period for an answer to his question.

It being one o'clock p.m., I do now leave the Chair until two o'clock p.m.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

FORESTRY

Mr. Joe McGuire (Egmont): Mr. Speaker, it was with great regret that I and the people involved in the forestry industry in Prince Edward Island heard the Minister of Finance announce that our regional development agreement for forestry would not be renewed.

The agreement, which expired on March 31, 1993 was worth over $24 million to the forestry industry in P.E.I. and was responsible for the creation of over 500 jobs in planting seedlings, harvesting and hauling the logs. In addition it fostered the growth of forests, management techniques and silviculture in general.

The industry had been negotiating in good faith to get a renewed agreement and was left with the impression that the only issue to be resolved was the length of the agreement. To suddenly find it was cancelled was, to put it mildly, a shock. Other provinces have had their agreements renewed. P.E.I. will be the only province negatively impacted by the budget decision.

I remind the minister of a statement made by him at the Standing Committee on Forestry and Fisheries in November 1990. He said:

> I remain committed to the continuation of the development agreements as an essential instrument of the sustainable development of our forest resource.

After having met with the minister in committee and privately and discussing the situation with ACOA, I have every confidence that the minister's sense of justice and fair play will prevail and he will not allow P.E.I.'s forestry industry to be sandbagged in this fashion.

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[*Translation*]

ALLERGY AWARENESS

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I am pleased to inform hon. members that the week of April 26 to May 1 has been declared Allergy Awareness Week and May has been declared Allergy Awareness Month.

Every year the Allergy Foundation of Canada chooses a week to highlight the problem of allergies and to show what can be done to relieve them. This volunteer-led organization provides information and support for people suffering from this problem.

The cost of allergy-related illnesses, in terms of health care and lost productivity, is huge and growing all the time. In addition, the social cost is incalculable.

I wish the Allergy/Asthma Information Association every success for Allergy Awareness Month.

* * *

[*English*]

CANADA HEALTH ACT

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the departure of the Minister of National Health and Welfare opens a vacuum of leadership on medicare in the Tory ranks. Despite his bungling of some key health issues the departing minister was at least on record as supporting universal medicare and he spoke out against user fees.

Where do the Tory leadership candidates stand today? In the shade. They have not come forward to back the Canada Health Act and the five principles of medicare, the most loved of all social programs.

I fear they intend to end universality and will continue to cut medicare funding to the provinces, even though from Manitoba and beyond the medicare system is in crisis.

I fear they will impose user fees as they voted to do so at the last Tory convention. I fear they will allow privatization of medicare.

Why do the Tory candidates, the defence minister, the environment minister and others, not tell us the real plans for the Canada Health Act, the underpinning of our universal medicare?

Keep it or kill it, which will it be?

* * *

AIRLINE INDUSTRY

Mr. Bob Horner (Mississauga West): Mr. Speaker, I met recently with a group of aviation workers from the riding I represent who have expressed concern for the future of Canada's airline industry.

Recognizing that the airline industry in Canada is at a crossroads with the proposed alliance between Canadian Airlines and American Airlines, the aviation workers expressed concern that Canada will be viewed by U.S. mega-carriers as a secondary market. As a result, service will suffer and jobs will be lost.

I believe that the best interests of Canadians are served if our country has a fully Canadian airline, not an airline that is an offshoot of a foreign-owned mega-carrier.

The Canadian market can support one viable internationally competitive carrier. As a result, jobs in management and reservations, aircraft maintenance and support services could be preserved.

Gemini Corporation has the technology to provide reservation services and we have skilled workers in every area of the airline industry.

I believe that Canadians should be served by one Canadian airline owned and operated by Canadians.

* * *

THE LIBERAL PARTY OF CANADA

Mr. Rod Murphy (Churchill): Mr. Speaker, Liberals say one thing when they are in opposition and did another when they were in government. The Liberals have joined the New Democratic caucus in calling for open public hearings on the tragic deaths in Somalia.

The Liberals have acted outraged that the government should be so undemocratic as to reject a full public inquiry into this matter. The Liberals want Canadians to believe that they would be more open about dealing with scandals than this shameful crop of Conservatives.

However the Liberals did not feel so strongly about openness when they were in government. Ten years ago in this House of Commons I asked the Liberal government to hold public hearings into the Atomic Energy Control Board's decision to increase the allowable level of radiation exposure to pregnant women by five times the current rate. The Liberal energy minister repeatedly refused to allow public hearings into this matter. Who was that minister? None other than the current Liberal leader.

* * *

• (1405)

NEW LISKEARD AGRICULTURAL COLLEGE

Mr. John A. MacDougall (Timiskaming—French River): Mr. Speaker, in a move that showed no heart or understanding for the people of the tri-towns last Friday, the provincial NDP government saw fit to slash at the already crippled economy of Timiskaming.

One of the casualties of the NDP that makes no sense is the closing of the New Liskeard Agricultural College.

This 26-year old institution has 120 students and over 50 employees at the facility. In the last three to four years about $12 million worth of new buildings has been added. It is no secret that New Liskeard's college greatly contributes to the province's agricultural advancement.

The research centre and laboratory, which services from Parry Sound through to the Manitoba border, focuses both on crop and livestock technology. It is also a research facility for sheep and beef in Ontario. Programs at the college, through an outreach program, are offered across the north and range from engineering and business management to horticulture and crop science.

This facility has a tremendous impact on our community, injecting $1.3 million into the economy. I say to Bob Rae, on behalf of the residents of Timiskaming, that this facility should be saved. Its continued service is essential for the region and for Ontario farmers.

* * *

SENIOR CITIZENS

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, Canadian seniors are fighting back. In a column in *The Ottawa Citizen* Madeleine Honeyman says: "Political abuse of the elderly is making Granny grumpy". She goes on to say:

> It is far from proven to my satisfaction that the over 70s use more of the health-care dollar than the very young—It is also questionable whether the old take more from the social system than they pay to support our overloaded education system, welfare for young people who haven't been able to find jobs and mortgage payments for their middle-aged children and grandchildren who are out of work.

Perhaps it is time all Canadians remember who started our medicare system, who built and paid for our hospitals, who paid to educate our doctors, our nurses and our researchers and who paid to put in place our pension system. Who else but seniors are charged 100 per cent on their income in taxes?

Madeleine Honeyman concludes by saying, and she means this: "Beware, Granny is getting leaner and meaner".

[*Translation*]

ECONOMIC DEVELOPMENT OF WESTERN QUEBEC

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, on February 19, 1993, I had the opportunity to visit the new premises of the Federal Office of Regional Development (Quebec) and Forestry Canada in Val d'Or. At a time like this when all departments must reduce their spending, I wish to congratulate the management of these two departments on this initiative of combining and sharing services.

This new government service centre will save large amounts in operating expenses, will improve customer service and promote synergy between these two organizations.

In conclusion, I want to point out that the presence of these two departments is essential for promoting the economic development of western Quebec.

* * *

[*English*]

THE BUDGET

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, the finance minister dealt more blows to western Canada in his most recent budget. Unfortunately westerners have come to expect this from this particular government but it is particularly painful when it comes from a fellow westerner.

Fully $27 million was cut from the Western Economic Diversification Fund, something that is vital to the development of products, technology and industry in our region. The Crow benefit was cut last December and now further cuts are promised. Another $250 million is scheduled to be cut from the CBC by 1998. It is clear the present government's intent is to kill the CBC slowly. That would spell disaster for many westerners who watch the CBC in order to have valuable information.

VIA Rail also faces a $250 million cut by 1998. This is also of concern to westerners. Will we end up having VIA trains only between Windsor and Quebec City? Is that the intent of this government, this unloved govern-

ment? It is ironic that railway passenger service was what united this country initially and now those opposite are trying to destroy that along with so many other institutions in Canada.

* * *

MINISTER OF FINANCE OF BRITISH COLUMBIA

Mr. Stan Wilbee (Delta): Mr. Speaker, in typical NDP fashion the finance minister of British Columbia has condemned the federal budget. Mr. Clark is the only finance minister in Canada who has not seen the light and moved to reduce spending and cut the cost of government.

While everyone else in the country is attempting to reduce costs and hold the line on taxes, Mr. Clark and the NDP Government of B.C. have increased their budget by 5.6 per cent. He has increased taxes, increased the size of government and the complexity of government. He has hired hundreds of new civil servants.

• (1410)

At the same time the minister is whining that he should be getting more money from the federal government. My constituents tell me that we should not give him any increase at all until he recognizes the economic facts of life and mends both his own and his government's profligate ways.

* * *

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, today's *Globe and Mail* quotes statements of East York Councillor John Papadakis in a context that implies that any refugee claimant may be bogus, any immigrant may be illegal and persons who commit crime on our streets may be refugees or immigrants from certain countries whose people appear in Canada as visible minorities.

This is unjust, since he does not show evidence that refugees or immigrants have a higher crime rate than those who are Canadian born. He is also quoted as objecting to refugee claimants receiving welfare.

In fact, municipal authorities and both opposition parties urged the government in recent amendments to the Immigration Act to allow refugee claimants to work. However, the government insisted on forcing them onto welfare to survive. Maybe the government will reconsider that unfortunate decision.

S. O. 31

THE BUDGET

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, in my view one of the most important measures in the budget announced by the Minister of Finance on Monday is the strong commitment to collaborative financial planning with the provinces of Canada.

It is my hope that the consultations which will take place at the meeting of finance ministers in May will not only deal in broad terms of debt and deficits, as essentially they must. It is also imperative that their deliberations touch on matters of fundamental political policy and principle.

For example, there is insistent pressure to change and diminish transfers to provinces, which the minister has thus far resisted in this budget. This subject requires great care because it concerns the very essence of economic balance in Canada, a fundamental condition of the concept of Confederation. We in Atlantic Canada do not consider equalization payments to be handouts but dividends legitimately earned as founding partners in the creation of this country.

As federal and provincial authorities plan together for the financial future of Canada let us be sure that their vision always remains focused on the grand original design of our country.

* * *

PROVINCE OF ONTARIO

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Premier Rae's budget announcement yesterday will reduce conservation lands in Ontario.

The Ontario government is reducing funding for conservation authorities and removing a tax break to conservation authorities that keep these lands natural. This would encourage conservation authorities to use conservation lands for development, increase logging and even sell some of these lands in order to produce some revenue. Local conservation authorities will be unable to pay taxes on these lands and thus valuable wetlands, Niagara escarpment lands, flood plains, conservation parks and forests are threatened by these proposals.

The people in Ontario should write to Premier Rae and urge him to reconsider this unwarranted decision. The environment in Ontario is not for sale.

* * *

EMPLOYMENT

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I rise today to express my personal support for the ongoing conviction of the Minister of Employment and Immigration to maintain the federal government's role in manpower and training.

Effective training and human resource development are not about control but co-ordination and co-operation.

Governments must act together to remove the disincentives in the current system, eliminate the inconsistencies and pursue a national strategy which readies all Canadians to meet the challenges of tomorrow.

To pursue the efficiencies of an open and integrated market within Canada we need a training strategy which transcends provincial boundaries. That means a national approach with national standards and national input.

Provincial and local participation is important and necessary. However, let us not fool ourselves. To be successful we require a commitment and willingness to work together at all levels and not against each other.

* * *

THE BUDGET

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, many times before the budget I asked the Minister of Finance whether or not he would consider closing certain tax loopholes, most notably the business and entertainment tax deduction, and some of the other tax loopholes the Auditor General identified in his report.

At one point, I even thought that the Minister of Finance was considering doing something like this, particularly given that changes have been made south of the border which have eliminated some of the excuses he had given before.

I was very disappointed to see in the budget that none of these tax loopholes were closed, not a single one. It is not just a question of not having tax increases. It is also a question of not closing any of these tax loopholes thus giving the lie once again to the real intention of the government, which is not deficit reduction but an ideological agenda by which it keeps doing things to institutions like VIA Rail and the CBC under the cover of deficit reduction.

* * *

• (1415)

[*Translation*]

NATIONAL CONSUMER WEEK

Mr. Michel Champagne (Champlain): Mr. Speaker, I want to draw to the attention of the House one of the themes which the federal government will consider closely during this National Consumer Week.

This year the federal government will stress the theme of consumer credit so that consumers can make decisions with full knowledge of the facts when they use the various credit instruments at their disposal.

The use of credit remains high and consumers can sometimes overextend themselves because of the falling interest rates. Some credit problems can occur if consumers do not make appropriate use of the information already available on how to use credit wisely, since they too often have easy access to credit. As a result they can draw too heavily on their credit and consumers can end up with too much debt.

Consumers are the key to a dynamic economy. This is why they must be well informed before deciding on the type of credit to use, and they must also be demanding about the quality of services provided by their lenders.

I am confident that National Consumer Week will enable Canadians to be better informed on issues which concern them, as well as on their rights and responsibilities.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Acting Minister of Finance.

Today the Minister of Finance is quoted by a Toronto newspaper as saying about his and the government's budgetary policies: "We have been fighting this lonely

battle, this lonely mission, without the support of the business community".

The efforts of the Minister of Finance to portray himself as that lonely Maytag washer repairman in the television commercial simply will not wash.

Does the Minister of Finance not realize that unlike that repairman on TV he has a poor product when it comes to his budget and budgetary policies, a poor product that has not worked for the past eight and a half years?

Why did the government not present a budgetary plan on Monday for real action on the deficit and especially on jobs and economic growth?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I am very surprised that my hon. friend would describe the Minister of Finance like that because the Minister of Finance is a very popular fellow and a very busy fellow. The fellow at Maytag seems to be very lonely. Our Minister of Finance is anything but lonely, and the hon. member knows that.

Second, I must tell my friend that our government from day one in 1984, from the financial statement which was given in the fall of 1984 straight on through in every subsequent budget, has placed the deficit as a major problem. One thing that was happening was that the provinces were spending at a rate well in excess of inflation while the federal government was keeping its spending under the rate of inflation year over year.

What has happened now is that the provinces, no matter what their political stripe, all of a sudden realize that what the federal government has been doing is right and they are now following in our footsteps. That is good. I think the Minister of Finance has set the stage for good co-operation among the provinces with this budget.

Hon. Herb Gray (Windsor West): Mr. Speaker, I invite the Acting Minister of Finance to read the quotation of the Minister of Finance when he cried about his "lonely battle". I was not making this up; it is the minister's own words.

Also in the same interview with this Toronto newspaper the minister said:

> "I can't help it if they can't read it", he said, slamming a copy of the budget on the table in his office.

Why will the Minister of Finance not recognize that Canadians including the business community do not need any literacy lessons from him? They have read the budget. That is why they do not like it. That is why they consider it a failure on the deficit, jobs and economic growth.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am happy to respond to my hon. friend with regard to his question.

I think the Minister of Finance was referring to fact that for 15 years the average rate of growth of program spending in Ottawa under the Liberals was 13.8 per cent a year every single year. For the last nine years that percentage of 13.8 per cent has been lowered to 3.6 per cent. This is a remarkable accomplishment by the Government of Canada over the last nine years which is why the deficit as a percentage of GDP has been cut in half, by 50 per cent, under this government.

• (1420)

I think that is what the Minister of Finance was referring to. This is what the business community has been asking for. This is what the business community and investors have achieved, which is why inflation is so low and why interest rates are so low. I think the Minister of Finance was saying to the business community: "We have acted in the national interest. We think it is perhaps time for you to stand up and say indeed those policies defend and enhance the national interest of Canada".

Hon. Herb Gray (Windsor West): Mr. Speaker, in August 1983 the present Prime Minister said: "To be content with an unemployment rate of 10 per cent is just short of criminal".

[*Translation*]

In August 1983 the present Prime Minister said, and I quote: "To be content with an unemployment rate of 10 per cent is almost criminal". Yet the budget tabled this week will keep unemployment above 11 per cent this year and next year.

Is the Prime Minister prepared to admit that—based on his own comments—he and the Conservatives are guilty of keeping unemployment so high? Is he prepared to do something right now to launch a real recovery and truly lower an unemployment rate which is way too high?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is quite properly deploring an unemployment rate of 11 per cent as being too high, forgetting of course that when he turned over the government to us under the Liberals the unemployment rate was 11.7 per cent. We then reduced it to 7.3 per cent.

Mr. Gagliano: It has gone back up.

Mr. Mulroney: My hon. friend says: "It has gone back". Indeed it has as a result of the recession. Because of what I think is generally acknowledged to be prudent management, the unemployment rate will decline to something in the neighbourhood of 7.2 per cent or 7.3 per cent pursuant to the budget.

Mr. Gauthier: A change in government.

Mr. Mulroney: My hon. friends say: "A change in government". No, a change in prime ministers but the same government, which may explain the fact that the Leader of the Opposition has not been seen since the budget was tabled.

Some hon. members: Oh, oh.

Mr. John Manley (Ottawa South): He has certainly been seen, Mr. Speaker, but he does not need to be seen by the Prime Minister. He does not expect his vote.

[*Translation*]

As mentioned yesterday by Michel Auger in the *Journal de Montréal*, the Minister of Finance and his predecessor have done a very poor job of predicting the deficit for the 1993–94 fiscal year. Indeed, the former Minister of Finance was off by $16 billion in predicting the deficit for 1994.

My question for the Acting Prime Minister is this: How can the minister believe that the Canadian people and the international markets will have confidence in the Minister of Finance and in his budget, given such a record of incompetence?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, if the hon. member took the time to examine the projections made over the period of the last nine years he would see that indeed the Minister of Finance missed some deficit projections. They were much lower than he had projected in his budget. If he checks the 1987–88 and 1988–89 budgets he will find that the deficit was lower than he had projected in his budgets. As a matter of fact the record of projections of this government was very good up until the recessionary period.

If the hon. member was fair and compared the projections of the 1992 budget, for example, with the projections of all the other forecasting groups both in Canada and internationally, he would find that they were all off. Every single one of them was off. Our Minister of Finance made a mid-term financial statement and corrected the record. Every one on their projections was off. He cannot lay that on the finance minister.

• (1425)

Mr. John Manley (Ottawa South): Mr. Speaker, one out of nine is not even good in baseball.

Yesterday the minister acknowledged, and I use his words, market jitters that followed his budget. Analysts are now saying that these jitters were largely caused by the strength of the minister's own pre-budget rhetoric and resulted in a rise in the Treasury bill rate and the bank rate on Tuesday.

The minister's mistake in raising expectations is not free of cost. Will the government please reveal to the House an estimated cost of the additional interest charges faced by the government as a result of the need to defend the dollar on Tuesday?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, my friend has been around a while. He understands that at budget times financial markets fluctuate somewhat. He will be pleased to know that the Canadian dollar has in fact stabilized, that it is trading at a very narrow margin right now and has maintained its strength. The hon. member should not be worried about that.

This budget has set out a clear program of deficit reduction, of cutting expenditures of the federal government to assure that taxpayers' dollars are being wisely spent, but at the same time reducing the deficit so that interest rates and inflation can remain low and the private sector can get to creating employment, creating work and creating wealth which is so desperately needed.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, one would hope that a government's budget would contain some vision of what the future should be. This week's budget certainly does tell something about the Conservative vision of the future, but in many ways it is a very negative and going back to the past kind of future. As in previous budgets the government has decided not only to ignore the job crisis but to continue dismantling institutions and programs that define who we are as a people and to implement cuts to transportation, VIA Rail and the Crow subsidy for farmers.

My question is for the Acting Minister of Finance. In just looking at transportation we see a record of privatization, deregulation, cutbacks to VIA Rail and cutbacks to airlines which have created a crisis both in number of jobs lost and in service to Canadians. Does this government have a vision of the future of transportation in this country, and what is it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend knows that the National Transportation Agency is completing a review as has the royal commission on transportation requirements in the year 2000 in Canada. Therein are contained a number of very important ideas for transportation which the House will be called upon to consider.

More important, perhaps, my hon. friend has just described the tough cutbacks in transportation, the tough cutbacks in regional development and the tough cutbacks throughout the budget, making precisely the point the Minister of Finance indicated the day before yesterday. There are $3.8 billion worth of real cuts in 1993, $5.8 billion worth of real cuts in 1994, $7.9 billion worth of real cuts at the end of the fiscal framework, for a total of $30.7 billion in cuts over the five-year period, which is the largest expenditure reduction in the history of Canada.

We are not denying that; we are affirming it as a fact. We think this is a signal of confidence we are sending to the international markets of the seriousness with which we embark on a program of deficit reduction.

My hon. friend is quite right. I am not trying to hide behind commas or paragraphs. The cuts are there. They are serious. They are meaningful and they are historic. I wish we had the money to do otherwise, but we do not and we have taken our responsibilities in a manner unprecedented by a Government of Canada in modern history.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the Prime Minister is right on one thing, that is that these are historic, because this government is history and that will make Canadians pretty happy.

The cutbacks in transportation are not just a reduction of jobs. They are cutbacks to an economic basis in a country. If we do not have a good transportation system, how can we transport goods? How can we in fact build the economy the government professes it wants to build?

• (1430)

I want to ask about the government's vision in another area and that is cultural institutions in this country. We have seen cuts to the CBC, Telefilm Canada, cultural groups, the Canada Council budget cut last year and the promised important film distribution legislation has never happened.

Cultural groups not only employ hundreds of thousands of people but they really give expression to and help define who we are as Canadians. I want to ask the government what its vision is of culture in this country. What vision for the future of culture in this country does it have?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the government has passed the new Broadcasting Act here in Canada. It passed the Status of the Artist Act recognizing the professional status of artists for the first time in Canada, implementation of major initiatives in film, video and sound recordings, establishment of the Baie Comeau policy to protect cultural sovereignty in the book publishing and distribution industry. Our commitment has been considerable. Consider this: We supported the creation in 1988 of the Canadian Broadcasting Corporation's all news channel and we built a state of the art CBC broadcast centre headquarters in Toronto.

Mr. Gray (Windsor West): Closed down the station in Windsor.

Mr. Mulroney: Closed down the station in Windsor he says. He wants us to close down the headquarters of the CBC in Toronto but we are so committed to the CBC as an instrument of national unity that we prefer to keep that rather than the station in Windsor.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, clearly the government's vision of culture is to cut back and cut back those voices which give expression to culture in our country. The government does have choices and many of those choices simply have not been taken.

[*Translation*]

The vision which the Conservatives have of Canada is that of a country in which there is not only a wider gap between regions, but also a wider gap between the rich and the poor.

On Monday, the Minister of Finance received a lot of praise from his caucus when he announced that there would be no tax increase in his budget. Some groups should pay more taxes; not the poor, not the middle class, but the rich and the profitable large corporations.

Why does this government refuse to close tax loopholes for the rich and to impose a minimum tax on profitable businesses?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I find it rather amusing that the NDP member would suggest a tax increase when the governments of Ontario, Saskatchewan and British Columbia say just the opposite. In these jurisdictions it is claimed that Canadian taxpayers are overtaxed right now and that we should avoid imposing new taxes.

As a government, we eliminated more tax shelters than any other government in years. My hon. friend can check it out. I believe this is an important step in the social development of the nation. We are always open to some suggestions, but we do not want to impose new taxes.

* * *

[*English*]

SOMALIA

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the Prime Minister.

Yesterday the chief of defence staff directly contradicted the version of the facts that had been given to Canadians by the minister of defence. He told reporters that the minister of defence knew from the very start that the March 16 beating death in Belet Huen involved criminal intent.

Mr. Speaker: Just a moment. I have some difficulty with the question. The motion today which is being debated is broad and it most certainly covers the point which I think the hon. member is raising.

Mr. Dingwall: He wasn't making reference to the motion.

Mr. Speaker: Well, he may not be making any reference to the motion but questions should not anticipate an order of the day, although this does not apply to the budget process.

We have a full day of debate on the very issue that the hon. member is raising. I must say that unless the hon. member can form his question appropriately I cannot allow it. It seems to me that this is an urgent question involving—

Mr. Rompkey: If I could have the floor, Mr. Speaker, I would say this is an urgent question involving the credibility of the minister in the carrying out of—

• (1435)

Mr. Speaker: I'm sorry. That is exactly what the debate is about. That is not a matter for me to take into account. The hon. member may wish to put a question which comes within the bounds but I cannot accept that.

Mr. Rompkey: Mr. Speaker, I want to quote to the Prime Minister the words of the chief of defence staff yesterday when he said that "on March 18 the unit reported that evidence indicating that criminal intent might be linked to the death had been uncovered. That same day the unit requested a military police investigating team and legal counsel as soon as possible. The request was received by NDHQ on March 19".

I want to quote to the Prime Minister what the Minister of National Defence said in the House on April 26:

Mr. Speaker: I'm sorry. I listened very carefully and I tried to give the hon. member for Labrador every opportunity to put his question in such a way that it would be acceptable. There may be another place to raise it but it is not now.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, a significant incident is defined in Cana-

dian forces orders as "any occurrence, minor or major, that will or may create public interest".

My question is to the Acting Minister of National Defence. When the briefing took place on March 17 on a significant incident in Somalia why was it not recognized that public interest was involved? There was a delay of six weeks of rumour, speculation, phone calls, letters and questions in this House before the Canadian public was informed.

Mr. Speaker: That is all within the debate which is going on in the House. That is another matter, a matter for the debate itself.

I am going on to the next question.

* * *

INDIAN AFFAIRS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of State for Indian Affairs.

Recently a number of New Democratic Party MLAs and myself inspected the water and sewage system in the reserve at Bloodvein, Manitoba. Since the federal government has refused to contribute money to pay for the hooking up of this system to native households, the $7 million that the federal government spent only provides service to teachers, nurses and the RCMP, the very people who had water and sewage systems before the $7 million was spent.

Can the minister explain how the $7 million expenditure from the green plan is helping the environment, the native people and how it was a good investment by the federal government?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I am not familiar with all the figures relating to my colleague's specific concern regarding the green plan but I will certainly make inquiries and get back to him on this.

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I gave a specific example but it is a problem right through the federal government's general policy. The federal government, as part of its green plan, will pay for water and sewage systems in native communities. But it is asking unemployed people, 95 per cent of whom are on welfare in a number of communities, to pay for their own water and sewage hookup to their houses. Those people do not have the money.

Therefore, right across Canada we have the federal government spending money to put water and sewage systems in native communities without any native households being hooked up.

What is the government policy?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I disagree with the last part of my colleague's remarks. We know that the Department of Indians Affairs has invested considerable amounts at every level to meet all the needs of the native communities across the country and we will continue in that direction.

* * *

GST CREDIT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, this government has decided to defer paying the GST credit due next January until April 1994. By reducing the refunds payable this fiscal year by $625 million, the government has in fact inflated its own revenues and used accounting methods that are rather difficult to understand.

• (1440)

I would like to ask the Prime Minister if he would care to come and visit my riding to tell the people who live in retirement homes or subsidized housing and have an urgent need for such regular payments why they will not be receiving their tax credit cheques in January, why they will have to wait until April to pay their Christmas bills, the children's boots, coats and the like, and explain how come government is allowed to do something the private sector would likely be prohibited from doing?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the hon. member for Ottawa—Vanier is dead wrong. First of all, the people in question will continue to receive the exact same

amounts, not one cent less. Furthermore, he should have mentioned that payments will be made in April and in December. They will certainly have the chance to meet their obligations when they get their cheques at that time.

Again, it is extremely dangerous—and I hope this was not the hon. member's intention—to suggest that seniors or other citizens will receive less money than they normally did. That is not true. They will receive the same amounts except that sending the money in April and in December has made the budget tabled by the Minister of Finance even better. I want to reassure all Canadians who receive the GST credit that they will receive exactly the same amount, but twice a year, and will have the opportunity to meet their obligations.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, if I understand the budget correctly, payments would be made in April and October not December.

[*English*]

In his recent meeting with the International Monetary Fund the Minister of Finance told the directors of the fund that compliance with the unpopular GST had been surprisingly poor.

Instead of penalizing the poor why is the minister not attacking the GST cheaters, the ones that cheat the system? Why is he not attacking the underground economy estimated by one of his own colleagues to be in the realm of $40 billion? We are losing $9 billion a year in taxes because of the underground economy. Why does he not go after the crooks instead of the poor?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the Minister of Finance said no such thing to the International Monetary Fund.

It is true at the outset we projected prior to the introduction of the tax that we would be lenient in the first few months so that businesses could get accustomed to the change from the old unacceptable tax to the new modern and fairer tax.

I can assure this House and the hon. member now that we have our compliance programs in place, for example last year we had 100,000 audits and a very large majority of those audits showed that whatever mistakes did take place after the assessments was as a result of honest mistakes and not a growing underground economy.

PUBLIC WORKS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Public Works and it concerns the $735 million lease for the ICAO building in Montreal.

I want to ask the minister about the negotiations with the present developer that were abandoned and the two calls for new tenders that were let out, thereby increasing ultimately the cost to taxpayers by $175 million.

I want to ask the minister why the bidding rules were changed mid-stream and in such a way that Brookfield Development eventually ended up being the winner? I want to remind the minister that Brookfield Development just happens to be part of the Carena Company which is owned by the Brascan empire which just happens to be chaired by a member of the other place.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I am pleased and delighted to entertain this question from my colleague in view of the importance that this organization has had to the city of Montreal which is the capital of avionics in Canada. This organization has been here for 40 years or more and is very important to the city of Montreal.

I thought he would be congratulating Public Works for the scrupulous way it has maintained the negotiations and the tender calls which were completely open and transparent. I would invite him as I think my office already has for a briefing.

This process began last June and has been carried on to the point where we are now looking at and analysing the bids that were submitted on April 19.

• (1445)

This organization, as he must know, has required more space for some time to meet its obligations. It asked for 36,000 square metres more. Treasury Board reduced that. Nevertheless if this single use facility is not modified and adapted to meet the use of ICAO, we could even risk losing this international agency.

I am surprised. He should speak to his colleague, the hon. member for Saint-Léonard, who will tell him that about 800 jobs are involved. I cannot understand why the hon. member would be misled by this prurient article by

a journalist named Cameron who, unlike the member, I think was a bit of a quidnunc.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the minister has to understand these are not just reports by reporters. There is a lawsuit against the government and against the minister himself in this regard. I have a copy of it in hand.

[*Translation*]

I would like to ask the minister a supplementary question. The minister must surely know that we are talking about an overpayment of $175 million, financed by Canadian taxpayers. At the risk of displeasing the Prime Minister, I would like to ask the minister this: How can he justify such an expense? Why does the minister accept negotiating and reaching agreements in this way, at a time like this when the Minister of Finance is telling us we have no money? Why this overpayment of $175 million?

[*English*]

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, there are so many fallacies in that question, I am surprised that a member of the calibre of my friend opposite would even ask it.

These negotiations have been going on for about two years. They have not yet been completed. They are completely transparent. I repeat that this is a single use building. He talks about a lawsuit. What is new about a disaffected developer suing the Government of Canada? This happens all the time.

I tell my colleague opposite that this particular transaction is squeaky clean. The more he looks into it the more I will welcome his questions.

* * *

CENTRES OF EXCELLENCE

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is for the minister of state for science and technology.

As he is probably aware, the parliamentary committee on industry, science and technology is completing a report that will express strong support for the national centres of excellence. Yet there is information coming out of his department that the $250 million five-year funding for that very successful program is about to be cut to $125 million for the next five years.

I would ask the minister to confirm or deny that.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, we are not going to confirm or deny anything when a study and total review of the centres of excellence are being conducted.

I am glad to hear that the hon. member likes this program. It was introduced by this government. It received no thanks from the hon. member when it was introduced, but it has been a tremendous success and we are going to maintain it at the level of funding. However, it will depend upon the review that we receive.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, this hon. minister talks a great deal and very often fails to reflect the facts. To this new minister of science and technology who has a lot to learn about science and technology, the fact is that this member supported that program.

The minister will recall that about one month ago when I was posing a question to him about the failure to provide increases for IRAP, he indicated that tremendous funding increases were being provided by this government for research and development.

Within that context I would ask him whether his statement at that time is not called into serious question by the fact that instead of increasing the granting council budgets by 4 per cent as was promised in last year's budget and instead of cutting back that 4 per cent now, the research council fundings have been cut back for the next five years. Is that consistent with a commitment to research and development of the sort he indicated when I last asked him a question on the subject?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, my hon. friend is twice wrong with his question.

First of all, on the IRAP funding we are increasing it substantially and he knows that. In fact the numbers I gave him over a month ago of $13 million have been confirmed. It is a $13 million increase. When it comes to the granting councils, we are not cutting them back. They will be growing at 1.5 per cent more than most other federal spending programs except for our transfers to persons and to provinces.

• (1450)

This government stands behind science and technology and stands behind research by the preference that it receives in the budget over most other categories of federal government spending.

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[*Translation*]

SINGLE-WINDOW CONCEPT

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Prime Minister. This week the Minister of Finance had two pieces of depressing news for taxpayers: the deficit last year was $35 billion and this year it is expected to be $32 billion. He also confirmed that the government is powerless to control the deficit, because he did not even take measures to eliminate federal-provincial overlapping, which is wasteful and inefficient.

I therefore ask the Prime Minister why his government rejected the suggestion of the Quebec Conservative caucus, which asked him to establish a single window in Quebec for labour force programs.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that my friend is mistaken. The reality is that in 1992-93 the deficit was 5 per cent of gross domestic product in Canada, compared to 5.1 per cent in the United States.

In 1997, Canada is expected to have a surplus equal to 1 per cent of GDP, while the United States will still have a deficit of 2.5 per cent. So I think it is recognized that we are making remarkable progress compared to the United States.

I want to give the member another example if I may. In 1984, when we took power, the deficit as a percentage of gross domestic product, which is vital as the internationally accepted standard for measuring the deficit and its impact on an economy, was 8.7 per cent. The deficit this year will be 4.5 per cent, a reduction of 50 per cent in eight and a half years.

My friend will surely agree with me that, although not a miracle, this is very significant progress for Canada. We accepted many suggestions from the Quebec Conservative caucus to reach this point.

Mr. Speaker: We must go on.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my supplementary question is also for the Prime Minister. I will point out to him that he did not answer the question about overlapping.

His Minister of Finance told the House that he had begun discussions about establishing in Montreal a pilot service centre for business clients, called a single window, in co-operation with public and private partners. After checking with contacts in the city of Montreal, the Chamber of Commerce and the Centre de commerce mondial, it appears that these organizations were not consulted. However, we know that such a service centre already exists at Montreal's Centre de commerce mondial.

I therefore ask the Prime Minister: does this mean that in addition to duplication of services, we will have duplication of single windows? Has the government's slogan become "let everyone have their own single window?"

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, has my friend received permission from the head office of the Parti Québécois in Quebec City to ask such a question? Has it been approved by Mr. Parizeau, because he controls the Ontario branch of the PQ? So, do you have Mr. Parizeau's permission?

Mr. Duceppe: Answer the question.

Mr. Mulroney: All right, then the boss has given you permission to ask the question. The reason is that the single-window concept was favoured by the yes supporters in the referendum and you voted no. If you had voted yes, you would have your single window, because the federalists proposed it and you were opposed.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the minister answering for the Minister of Finance.

In this budget the Minister of Finance has set out a five-year program of operating subsidies for the Canadian Broadcasting Corporation, not the kind of predictable five-year funding the corporation was looking for.

As I detect the plan, it calls for a maintenance of the existing funding through 1993–94 and 1994–95 with the operating cuts to start in 1995–96.

I would like to just reaffirm with the minister that this is a form of five–year predictable plan for the CBC. I would also like to ask him whether the recommendation for a limited borrowing authority to provide financial flexibility for the CBC during this transition is also to be forthcoming.

• (1455)

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I might remind the hon. member that the December statement the Minister of Finance delivered in the House applies to Crown corporations as well. Therefore there is a discipline on the Crown corporations for this fiscal year and next. The major cuts will take place as he has enunciated in his question.

As far as the borrowing authority to the CBC, Crown–dependent corporations do not normally have the power to borrow. However, this suggestion has been made by a standing committee. I know that it is now being considered by the Department of Communications and we look forward to its plan when it is brought forward to cabinet.

* * *

EMPLOYMENT

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, in the absence of the Minister of Finance, my question is for the Prime Minister.

Yesterday, the Minister of Finance repeated his boast that 200,000 new jobs were created since August. The minister was careful not to mention in which country these jobs were created. In Canada there were 480,000 fewer people working and covered by UI in January than there were in August, according to Statistics Canada.

I ask the Prime Minister to explain why the only job he offers unemployed Canadians is a snow job?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can only conclude that that question must have taken the combined brain power of the entire Liberal caucus. No wonder half of them are not here; they are exhausted by the intellectual exercise. I do not know what I am going to do. There is a lover's quarrel going on in the NDP and there is sudden mediocrity in the Liberals. What am I going to do?

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, the Prime Minister is obviously in deep–freeze because his government is out of touch and his ministers' numbers are out to lunch.

In January, the month of Maz job demolition, 354,000 Canadians initiated or renewed UIC claims, raising the total number of beneficiaries to over 1.5 million for the first time since last April. For these Canadians, the minister's rosy pronouncements are more tragic comic relief than economic relief.

I ask the Prime Minister why his government's so–called recovery is as jobless as his government is hopeless.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, a little affectionate advice to my hon. friend. The next time the Liberals try to get her to ask a question like that, she should say her dignity stops her from doing it.

Mr. Speaker: Given the hour, if the Prime Minister wishes to respond then he should do so, but I am watching the clock.

Ms. Guarnieri: How patronizing.

Mr. Mulroney: Oh, it is patronizing. Is that not awful, a Liberal being patronized.

The Minister of Finance pointed out that full–time employment has risen by 202,000 since last August. It rose by 46,000 in February. In March the Royal Bank noted: "A 48,000 person increase in employment is very, very encouraging. There have been 1.4 million new jobs created since this government came to office. The rate of job creation in percentage terms is the highest in the G–7".

Everybody knows that we and all other industrialized countries lost jobs during the recession. Jobs were lost in the recession around the industrialized world. We are now making them up at what appears to be a rate of almost 50,000 a month; 300,000 this year and 400,000 new jobs in the year thereafter. Surely this ought to be enough to encourage my hon. friend modestly.

VETERANS AFFAIRS

Mr. George Proud (Hillsborough): Mr. Speaker, my question is for the Minister of Veterans Affairs.

We all know that approximately 600,000 war veterans, many getting along in years, depend upon the government through veterans affairs for medical services, pensions and other types of health care.

With all the proposed cuts and the talks of cuts that are happening right away and into the future, could the minister assure these veterans, these people who served the country so well, that none of the benefits or programs will be cut by this department?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as the hon. member knows, we in Canada have the most generous program of veterans benefits of any country in the world, and we intend to maintain them.

Mr. George Proud (Hillsborough): Mr. Speaker, in view of what the minister just said, will he assure the people who deliver these programs that none of their jobs will be cut?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I thought the hon. member was interested in veterans. Now I find out he is interested in his constituents' jobs.

Let me assure the hon. member that veterans affairs will continue to operate in Charlottetown and as long as veterans are still alive we will have public servants there providing the services they need.

* * *

JUSTICE

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, my question is with regard to the jurisdiction of the Minister of Justice. A coroner's jury in Regina recently recommended that police officers be equipped with pepper spray as a means of non-life threatening control in dangerous situations.

Are there currently any federal obstacles preventing police forces from acting upon this jury's recommendation?

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I can assure the hon. member the Criminal Code already contains an exemption that would allow for this.

I should point out as well, though, training and equipping of police officers come within the jurisdiction of the provinces and the RCMP. If devices like this can help save lives and help in the enforcement of our laws, we certainly have no objection to it.

* * *

[*Translation*]

POINT OF ORDER

COMMENTS BY MEMBER FOR LÉVIS

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, today we read in *Le Soleil* that the hon. member for Lévis said he enjoyed the support of members of the three main parties in Ottawa.

Without any intent of prejudicing the fair trial of his court case, I think the hon. member was indulging in some wishful thinking. Liberal members in Ottawa support the Liberal candidate in Lévis, and they certainly do not intend to support the Conservative MP in that riding.

* * *

[*English*]

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, I rise on a question of privilege arising from a question put by the member for Windsor—St. Clair. That member and I are members of the industry, science and technology committee which has been conducting a study of the future of the network of Centres for Excellence Program.

We have agreed to a report which has yet to be tabled in the House of Commons. Until it is tabled the report and its contents and conclusions are privileged to members of the committee.

In a question the member for Windsor—St. Clair referred to one of the conclusions of the report, and I believe this is a breach of my privilege and that of the other members of the committee. If you find I have a

prima facie case of privilege I am prepared to move the appropriate motion, Mr. Speaker.

Mr. Speaker: I wonder if the hon. member would let me check the "blues". There is some considerable merit in the argument that has been put forward. I should, though, check the "blues" and I will report back to the House.

• (1505)

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, on the question of privilege my colleague raised, when you say you will check the "blues" and will report back to the House, will there then be notice and time given to hon. members, particularly the hon. member from Windsor as well as my colleague, for further debate if debate is indeed necessary? My colleague has raised a very serious point.

Mr. Speaker: I want to say to the hon. House leader for Her Majesty's Loyal Opposition the Chair recognizes it is a serious matter. We have had to deal with these things in the past.

If I feel it is necessary to have further argument or further comment I will give sufficient notice. I may be able to deal with it very quickly. I will check the "blues" and I will be in touch with the hon. member.

I just might add, and I am thankful to my Clerk for pointing this out, I may have to wait until I see the report. It may or may not be available this afternoon, but I will move expeditiously on the matter.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the government House leader. Would he indicate to the House what tomorrow's business will be, what it will be for Monday and Tuesday, and what he sees for the remainder of next week?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, this afternoon we will complete the second of the eight allotted supply days for this supply period.

Tomorrow we will proceed with Bill C-117, the Borrowing Authority Act. I am hoping we can come to some agreement about the completion of that bill.

On Monday we hope to complete third reading of Bill C-118, the Export Development Corporation Act, after which we hope to complete third reading of Bill C-109, the bill dealing with privacy provisions for cellular phone use.

Depending on our conversations, Tuesday is likely to be the third allotted day for this supply period. I will be discussing with the House leaders of the Liberal Party and the New Democratic Party the business for the rest of that week.

In every confidence, we will come up with an agreement that will make sure this will be a very productive institution serving the people of Canada well.

Mr. Dingwall: Mr. Speaker, every time I hear those words I can see that closure is not far off.

I am wondering if the government House leader could give us some sort of assurances, for the purposes of Monday at least when members will be returning to the Chamber after spending time in their constituencies, on the order of debate of the various bills. Will it be Bill C-118 that he will lead with, or will it be Bill C-109?

Mr. Andre: Mr. Speaker, my intention now is to lead with Bill C-118. I will not change it before discussing it with the House leader of the opposition.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, on government House business, the government House leader is moving out but his parliamentary secretary may be able to answer.

In view of the fact the electoral reform bill in part was ushered out of the House in a most unusual way by a closure motion after many hours, and we have the complicity of the Liberals and the NDP in this matter, I was wondering where that stood in terms of business for either Friday or the upcoming week and, second, when we are going to get back to the budget.

Mr. Dingwall: Mr. Speaker, we on this side of the House, and I am sure I speak for the hon. member who has just spoken, do not wish to be argumentative.

Thursday is the typical day on which members of the opposition, particularly the Official Opposition, ask the business question. There is no one on the government

side. In fact, the Prime Minister had to cross the floor to join with us and support us in finding that his members opposite are holding Parliament in contempt.

I would hope, Mr. Speaker, you would speak directly and firmly to the right hon. Prime Minister so that when he goes back to that side of the House he will speak to his minister and have him in here to answer the questions raised by my colleague.

I think it is appropriate, because it is only once a week we have an opportunity to put questions to the government House leader with regard to government business.

• (1510)

Mr. Bill Blaikie (Winnipeg Transcona): I rise on the same point, Mr. Speaker. Just ordinary courtesy would dictate that the government House leader and his parliamentary secretary not walk out of the House before this particular period of House business is over.

Mr. Andre: Mr. Speaker, I did not hear the question. The reason I left was that I thought the Thursday question was over. I looked over at the New Democratic Party and did not see anybody standing so I left.

It was not an affront, but if the member has another question I am prepared to answer it.

Mr. Nowlan: That is part of the problem, Mr. Speaker. With all due respect we understand there are organized parties here, but the government House leader has been here long enough in the last two years to know there are some other persons in the House who do not necessarily belong to registered parties.

He had his back turned to me while I was asking a very legitimate question. I do not take umbrage with that. I agree with others that this is an insult to the House. I am glad that the opposition House leader raised the point. I will give the government House leader the benefit of my Irish generosity that he did not intend to slur.

In view of the fact my question came about when the government House leader, with all due credit to himself, used the rules in a most conniving way to exercise the Standing Order 78(1) allocation to kick out the electoral reform bill in that phase to a committee and get it out of the House, I was wondering where we were in terms of the electoral reform bill since the government House leader did not mention it and then, coming back to the budget, whether we are going to get back to the budget debate.

Mr. Andre: Mr. Speaker, I have just been informed by casual conversation that it would appear the committee looking into the second phase of electoral reform has reached an agreement. We are expecting a report, I think next Tuesday.

I have alerted the Privy Council Office in charge of drafting legislation to get its pens in hand so that the changes can be put in. I hope we can get it through the House prior to adjourning for the summer, because we are not likely to be back to pass it before the next election.

I will not get into a debate about the first phase but frankly, if we are going to talk about behaviour, et cetera, it is a double-edged sword as the hon. member knows.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I also wish to place a question before the government House leader. As he will remember last week I asked about Bill C-7 dealing with the status of the artist.

The Prime Minister in Question Period as well mentioned that this piece of legislation was passed by the government. Indeed it was and it received royal assent in June last year.

Again I would like to ask the House leader when they plan to proclaim the bill.

Mr. Andre: Mr. Speaker, I cannot give that information. The Minister of Communications probably will. After a bill is given royal assent a period of time is required to put the administrative apparatus in place to administer the bill, things that fall from the bill, if it is a bill of that sort. When things are ready the Governor in Council acts to bring the bill into force.

As I say I do not know what is holding things up, if anything, but the Minister of Communications would have that answer. I will talk to him and get back to the hon. member.

Miss Deborah Grey (Beaver River): Mr. Speaker, on the same point. A couple of moments ago my Nova Scotia neighbour asked a second part to his question about when the next two days of budget debate were. I

think this is substantial enough that we could be given notice.

Mr. Andre: Yes, I am endeavouring to schedule the bills and business on the Order Paper to get them through. There are certainly two days of budget debate on the Order Paper. I have been discussing with opposition House leaders how we might schedule things.

My interest quite frankly is in getting as much passed and into committee in terms of this House and passed and into the Senate so as not to back them up and to schedule six more opposition days as well as two budget days within a very limited period of time. The more co-operation we get, the better I am able to schedule things in advance but we will keep trying.

GOVERNMENT ORDERS

• (1515)

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—NATIONAL DEFENCE

The House resumed consideration of the motion of Mr. Axworthy (Winnipeg South Centre) (p. 18639).

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I just had a few moments left in my observations of the speech given by my colleague, the hon. member for St. John's East. I believe my colleague from Davenport will be following in debate.

I wish to conclude in the two or three minutes I have with the observation that not only did I find the substance of his remarks to be totally out of whack with what was going on, I found the tone of his remarks to be most unsatisfactory as far as those of us in the opposition are concerned.

The hon. member has tried to paint the picture that somehow those of us in the opposition are being very unfair and mean-spirited by raising this subject matter on the floor of the House of Commons.

If ministers across the way would only assume responsibility for their dossiers, take the House of Commons into their confidence and share the issues, facts and various information they receive with us, I am certain this particular motion would not necessarily have been put. However we believe we have a fundamental obligation to raise these serious questions on the floor of the House of Commons as they relate to what is taking place in Bosnia, Somalia and the role of the Minister of National Defence. I must say she has been less than candid with the members of the House of Commons when the chief of staff has said one thing and of course the minister has said another.

I guess the point we were trying to make earlier this day, which was found by the Chair and the Table to be out of order was that we wanted to know who was telling the truth. Was it the Minister of National Defence or was it the chief of staff? I think it is important that we ascertain who was telling the truth with regard to this particular issue. That is the first point I want to raise with my colleague from St. John's East.

I also want to raise the issue of the comments of the government House leader earlier, which I believe have been picked up by the hon. member for St. John's East about this inquiry which is going to take place under the auspices of section 45 of the National Defence Act and the fact that the minister responsible was precluded from having an open public inquiry.

That is not the case at all and the hon. member for St. John's East ought to know that. The minister has full discretion under that section. We know the Minister of National Defence does not know that but I am sure the Secretary of State for External Affairs knows. The government can have an open and public inquiry if it decides to do so.

No one on this side has asked about who did what in a criminal way. It was the minister who made observations and suggestions about that. We believe it is important to have a public inquiry so Canadians can continue to have confidence in our Canadian Armed Forces.

The suggestion being made by members opposite that somehow they are more Canadian, more supportive of the Armed Forces than those of us on this side of the aisle is absolutely false. To quote the words of the government House leader, it is absolutely false. I and in particular our colleague from Bonavista—Trinity—Conception who is very distinguished and has served in a great capacity in the Canadian Armed Forces, as well as all members of this caucus have great support for the Canadian Armed Forces. I know the Secretary of State

for External Affairs will want to pick up the phone later this day to call the Minister of National Defence and say: "I do not believe you enjoy the confidence of the members of the House of Commons, therefore you ought to do the reasonable and responsible thing and step aside. Continue with your campaign to become the next leader of the Conservative Party but step aside so we can appoint a full-time Minister of National Defence who thereafter can do as the Minister of External Affairs has said she will do and travel to Bosnia and visit all of these various communities, which a full-time Minister of National Defence would have availed herself of the opportunity to do, but unfortunately is not going to be able to do".

• (1520)

I hope all members of this Chamber will support not only the substance of this great motion which has been put down but indeed the spirit in which it has been given. In view of that, I thank you for allowing me to make these observations. I know my colleague, the hon. member for Davenport, will want to enter this debate in a full way.

The Acting Speaker (Mr. Paproski): If there are no further questions or comments, the next speakers are from the Liberal side and I believe the hon. member for Davenport is splitting his time with the hon. member for Papineau—Saint Michel.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, for Canadians who are viewing this program let me state again, as my colleague the member for Winnipeg South Centre did at the beginning of this debate, that our motion today has really three very specific purposes. The first is to criticize the Minister of National Defence. The second is to express the deep concern on the part of the loyal opposition for the members of the Canadian Forces who are engaged in difficult peacekeeping missions. The third is to remind the government that since the cold war is over a shift in the expenditures for military purposes along the lines that have been already suggested so eloquently by the member for Winnipeg South Centre this morning would be extremely beneficial for the economy of Canada.

I would like to briefly review these three points in the time allocated to me. I would start very briefly by putting on record the statement made by our leader in Ste. Foy a month or so ago. He outlined the Liberal policy for a shift in our approach to defence matters and emphasized the fact that in his announcement the leader of the party indicated we would gradually convert military bases to new and appropriate uses. We would promote diversification of our defence industry and help it reorient toward civilian production as other western industrialized nations have already done.

In buttressing this approach the member for Winnipeg South Centre indicated that the Liberal government would use the existing $200 million federal government grants program for defence production to help companies switch to products such as environmental clean-up technologies and other technologies that have the potential for future expansion, job creation and the like.

The basic criteria is still that all the defence policies of the Government of Canada would be reviewed with peacekeeping as the core purpose for the army, as indicated by our defence critic, the member for Labrador.

We are raising this issue today with a number of concerns in mind. One is about the Somalis who have lost their lives in recent weeks as a result of measures that are the object of an inquiry at last.

• (1525)

We would like to reinforce, as it has been done frequently and quite effectively during Question Period, the notion that since civilians have lost their lives in these incidents the inquiry must be carried out openly and not behind closed doors.

The minister has the power to order an open procedure if she wants. The minister should not be afraid of an open inquiry. We must remind the government of the promise it made for an open government in the 1984 election and repeated in 1988 by the present Prime Minister.

This is an opportunity for the Government of Canada and the Conservative Party to demonstrate that it means what it promises, which alas it has done very rarely over the past nine years.

The object of this motion is also to raise the situation in the Republic of Bosnia-Hercegovina. There are names that come to mind when that part of the world is mentioned such as Dubrovnik, Tuzla, Srebrenica and

Sarajevo which are deeply ingrained in the collective memory and consciousness of the world community.

There is a growing sense of profound collective guilt in the civilized part of the world at least for having failed so many innocent lives. The persistent question is: What could we have done in order to prevent this immense human tragedy? With the benefit of hindsight perhaps some of these questions can be answered but even so in an incomplete manner.

The first answer that comes to my mind is that when Yugoslavia began to break up, and for that matter the former Soviet Union as well, an unconditional and hasty recognition of the new nations took place. This was led by Germany in particular with its immediate recognition of Croatia.

One cannot help but think that had this recognition been given more slowly with conditions attached to it such as a commitment by the western nations to adhere to the United Nations Human Rights Covenants and other major United Nations declarations of that kind, a more orderly process would have taken place in Europe. The behaviour of these new emerging nations would have been better and the transition would have been better managed. Therefore we all share a responsibility in the manner and speed in which the new nations were recognized by the west.

There is another possible answer and that is the slow and disorganized reaction particularly by the western European governments which were expected by the world community to develop a united response as the crisis began to emerge in the former Yugoslavia in particular.

Here we can definitely see that a number of decisions were made in bilateral ways or in a disjointed non-consultative manner which led eventually to the disaster we are facing.

• (1530)

I can only conclude by saying that what is happening in the former Yugoslavia has led to a gradual emerging of a new role on the part of the United Nations. We have moved from the well-known and fairly successful phase of peacekeeping to entering slowly and reluctantly the phase of peacemaking. As we do that we will have to be guided by a tremendous amount of wisdom and historical knowledge of the area to which we send troops. We will have to use a considerable amount of cunning and astuteness in ensuring that the safety of our troops is taken fully into account.

I regret that time does not allow me to continue.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I realize the Secretary of State for External Affairs is in a hurry to speak to the House, but I would ask her to be patient for 10 more minutes. Perhaps she could use her speech to explain the situation of Canadian troops based abroad, in a manner that is clearer and far more specific than could be done by her colleague, the Minister of National Defence.

We on this side of the House are particularly concerned about the safety of Canadian troops, who are committed on several fronts at this time, because the government does not seem to be able to explain satisfactorily the reasons for a Canadian military presence abroad.

Canada has always supported peacekeeping operations throughout the world. Canada has always been in the forefront of UN peacekeeping missions. Lately, however, the UN seems to be taking initiatives that are not necessarily peace initiatives. When we intervene in regions where we are more or less welcome, the question that should be asked is this: Can we really make a contribution toward bringing peace to this region at this time? Of course our party supports the decision to send troops to Bosnia. Our party entirely agrees with any valid peace initiative taken by the United Nations, in the context of a UN initiative to deal with the problem. However, when we see European countries becoming reluctant and questioning the presence of their troops in that part of the world, we in Canada can start asking the same kind of questions.

Not long ago I heard the French Minister of Defence ask on French television whether it was useful and essential, considering current developments in the part of the world we could refer to as former Yugoslavia, for French troops to keep playing a role in that region. I maintain that Canada has an important role to play on the international scene but cannot be expected to help out in every conflict. It cannot be everywhere at once when the government asks the Department of National

Defence to cut spending and restricts the department's financial resources. We cannot do more than our resources allow us to do.

• (1535)

I also wonder about the relevance of maintaining a presence in so many parts of the world where our presence may be challenged. Closer to home, we have a conflict still going on in Haiti. The Canadian government said it wanted to play a role in restoring democracy in that country. I know the new President of the United States is considering the possibility of sending troops as part of a UN peacekeeping mission. Has the federal government considered that possibility? After all, democracy will never be restored in Haiti without a force to counteract the military regime in that country.

At a time when we are about to spend fantastic amounts on helicopters whose usefulness is being questioned and the government insists on spending that kind of money, we may well ask whether the Department of National Defence has its priorities straight.

The Canadian government has over the years maintained its own foreign policy. It has always been very advanced in this respect, and I would say that successive prime ministers forged a foreign policy that was uniquely Canadian. However, under the present Conservative government, Canadian foreign policy has increasingly become a carbon copy of U.S. foreign policy. We have lost to a very considerable extent our unique outlook and our freedom to act independently. More often than not, the federal government has aligned its foreign policy on the dictates of the White House. It is high time we reverted to decisions made in Canada, by Canadians with Canada's interests in mind. I trust the Minister of External Affairs, who is due to speak a few minutes from now, will be able to tell us why her government has consistently followed the U.S. lead on foreign policy. In recent years, not a single clearcut personal initiative reflecting Canada's interest was taken by this Conservative government.

This morning, now that the Prime Minister is getting ready for his farewell tour, I read an article in *La Presse* by Marcel Adam in which he recalled that well before Prime Minister Trudeau actually resigned he had decided to visit all countries which had nuclear arms to suggest ways to deal with the threat of nuclear war. The cold war was then at its peak. Soviet air defence had just shot down a Korean aircraft with all passengers on board. U.S. President Ronald Reagan had decided to revive the arms race to restore the balance of power, which included the installation of nuclear missiles in western Europe and the star wars program.

Those were the circumstances at the time, when the Prime Minister of Canada went on his trip to persuade the superpowers to stop this crazy arms race, to Moscow, to tell the Russians to stop this frenzied arms race and to the President of the United States, to tell him his policies were a real threat to world peace. He wanted to talk to the leaders of the superpowers as a Canadian, with Canada's interests in mind and above all in the interests of world peace.

• (1540)

In concluding, I hope that very soon we will have a new government—not a Conservative government—that will at last be able to give Canadians a genuine foreign policy and defence policy we can be proud of, by and for Canadians.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, it is too bad that the hon. member from Papineau, who broached some very serious issues and has a reputation for saying the things that count when the issues are very serious, turned this into a very partisan speech and said a number of things that were patently false.

[*English*]

In terms of the kind of leadership provided by this Prime Minister as opposed to the previous Prime Minister, I would like to point out that we have in Canada today one of the great leaders, one of the great statesmen of the world.

Let me just point out, for example, that in the recent summit in Vancouver it was the Prime Minister of Canada—and I was there to witness it—who actually paved the way for a very positive meeting between President Clinton and President Yeltsin in what was a new and very significant relationship for Canada. It was our Prime Minister who led the way in moving forward with aid to Russia among the G-7 countries and indeed to other countries of the former Soviet Union.

I also want to say that the other side talks a lot about our Prime Minister and his capacity to visit with other leaders around the world and a trip that he is taking.

A former Prime Minister, whose name as I recall was Trudeau, did a lot of hopping around the world to visit various countries which may or may not have had anything to do with Canada's strategic interests. I do know on the last trip he took that he spent five days on the shores of the Aegean. I am sure he was contemplating the future of Canada as he did so and cavorted on the beach.

This is very much in the interest of our country. I am very proud to be associated with a Prime Minister who has the leadership and statesmanlike characteristics that have been so evident over the last eight years. He has built a great reputation for this country. He has built on some of the things that have gone before and is carrying us forward into a post-cold war environment in a way that is sensitive, imaginative and very much in Canada's interest.

[*Translation*]

Mr. Ouellet: Mr. Speaker, to respond briefly to the minister's comments and her admiration for the present Prime Minister of Canada, I will not hold it against her, but I think she should read the text of my speech.

I was very careful not to criticize the Prime Minister, who is getting ready for a trip. She misunderstood if she thought I was questioning the right and in some cases the duty of a Canadian Prime Minister to travel abroad.

I simply mentioned in this connection a statement I read this morning in the papers, which recalled why Mr. Trudeau made his trip at the time. In a way it was a response to the criticism levelled at his trip at the time.

My point is that, against the background of the cold war as it existed at the time, Prime Minister Trudeau's visit to these countries was very important and very useful. Now I wonder—and the minister did not tell us but I hope she will have a chance to do that, or perhaps the Prime Minister will—what kind of message he is supposed to bring, after announcing his resignation, to Moscow, Paris, London and Washington, if he goes back there again?

• (1545)

In any case, with Canadians across the country, I was delighted to see a meeting between Mr. Yeltsin and Mr. Clinton. I think she gives the Prime Minister too much credit, however, although I am prepared to allow her that indulgence.

[*English*]

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I want to point out first of all that I was very pleased to hear from the hon. member for Davenport who I thought for the first time produced a serious note in this debate from the other side of the House.

[*Translation*]

I am also confident that I have some answers to questions about Bosnia and other countries in that war-torn region. The hon. member raised that point in the short speech he just made.

[*English*]

One of the reasons I am very glad to be in this debate, despite the fact that the motion itself is ludicrous and makes no sense in any official language, is that it does allow a continuation of the national discussion on peacekeeping that I and this government launched earlier this year.

We welcome a penetrating discussion of the new and less predictable environment for peacekeeping that we face today. We want a widespread public discussion because this really is indeed one of Canada's major contributions to peace and security in the world.

Let me ask then about the role the opposition has played in this national debate. What we get from the Liberal opposition critic is a cynical and partisan motion that indicates really a very superficial interest in matters of substance. He has repeated again and again his tired old assertions that the mandates of our peacekeeping forces are confused and that our professional peacekeepers are badly equipped and badly instructed.

Nothing could be further from the truth and it is an absolutely contemptible distortion. Opposition members cannot be doing much serious thinking about this subject if that is the best they can come up with.

Further, to suggest that peacekeeping mandates are confused and unclear not only is disturbing for the families and for Canadians who care about these people, but is also totally inconsistent with the careful consideration that has been given to each and every one of our peacekeeping commitments. It is also inconsistent with the sustained diplomatic efforts we are making to ensure other governments understand those mandates as we do.

Throughout the many years during which Canada has been sending peacekeepers abroad, including under Liberal governments, successive governments have had to face the question of risk and of the role which Canada believes it should play in the world. In so doing we have developed guidelines that are weighed carefully before a decision is made to respond to a clear and precise request from the United Nations to send Canadian troops to a trouble-spot.

There has to be a threat to international peace and security. That is the first determinant. Major parties to the conflict must accept the peacekeeping mission and accept Canadian participation in it. The operation has to be linked to an agreement by the parties to work toward a political settlement. The operation must be accountable to a political authority, such as the UN Security Council. The operation must have a clear and realistic mandate and it must have a sound logistic and financial basis. Those are the tests we put forward before any of our troops are sent on any peacekeeping mission.

[*Translation*]

These guidelines have guided this government's decisions to send peacekeeping troops to Croatia, Bosnia and Somalia. As I have indicated on many recent occasions, in particular at the seminar on peacekeeping which I hosted in February 9, the circumstances under which peacekeeping is conducted have changed dramatically since the end of the cold war.

Our peacekeepers today take on new tasks, especially those of a humanitarian nature, which are particularly evident in Bosnia and Somalia. In other cases, they work alongside civilian election monitors, humanitarian agencies and policemen, as in Cambodia, to alleviate suffering and pave the way for the reconstruction of shattered societies.

• (1550)

The world has changed considerably in the past four years. A familiar world has suddenly disappeared, a new one is being born among uncertainties, a resurgence of ugly nationalism and religious hatreds. We could well choose to ignore this new reality or take a comfortable back seat. This has not been the choice of this government. Our vision is to enhance Canada's reputation as a nation of experienced and trusted peacekeepers and to build upon it with thoughtfulness and imagination—as well as with a sense of compassion and care—care for the victims of conflict, and care for our soldiers.

Canadian peacekeepers are deployed when the international community has decided that they are needed and that Canada's contribution will make a difference. This must be emphasized. Support for the United Nations and the multilateral system is a pillar of Canadian foreign policy. Given our history and place in the world it has served us well.

Six years ago the United Nations was responsible for 10,000 peacekeepers and today is managing close to 50,000. That number may well double soon. It is therefore critical for Canada to ensure that the United Nations be better equipped for the task placed upon it by member states. This has been recognized by the Secretary-General who launched an urgent appeal to the international community in his agenda for peace. Canada has responded because the efficiency of the United Nations is as critical to the enhancement of peace and security in the world as it is critical to the safety of its military and civilian peacekeepers.

Moreover, Canada has provided some of its most qualified staff to the United Nations' Peacekeeping Office, including the military adviser to the Secretary-General, General Baril. Canadian officers have taken the lead in providing expert studies designed to strengthen the ability of the United Nations to do its job. One study on providing stand by forces to the United Nations has just been completed. If implemented it will enable operations to start earlier and under optimal circumstances, thus enhancing the security of troops and civilians.

Our pleas that the United Nations establish a 24 hour seven day a week situation room have been heard. The facility is being set up.

My work as minister requires full consultation with my colleague, the Minister of National Defence, and with Canada's highly professional military leaders. I assure the House that this consultation takes place on an ongoing basis.

[*English*]

I want to ask the Liberals if they understand how peacekeeping forces are mandated and instructed because I do not think they do. Do they seriously believe that a peacekeeping mandate is a little manual that addresses every contingency a commanding officer is likely to encounter in the field? Does my critic on the other side so misunderstand the relationship between political decision makers and military professionals that he thinks nothing can be left to the good judgment and professional competence of our peacekeepers?

It appears to me that if there is confusion and a lack of clarity, it is in the minds of those on the other side. On this side of the House, we understand the responsibilities that weigh on commanders in the field. We understand the difficult decisions they have to make in changing circumstances. Together, my colleague, the Minister of National Defence, and I go to considerable lengths to ensure that both their mandate and the resources available to them in their own estimation are appropriate to the task they have to perform.

• (1555)

That does not detract from the difficulty of the task, nor from the risks. However it is no service to our commanders, our peacekeepers around the world to suggest that the job of the government, let alone of the opposition critic, is to second-guess their every move.

That is why I energetically pursued discussions last week with the United Nations, the foreign ministers of the United Kingdom and Greece and the External Relations Commissioner of the European Community. It is because we recognize the partnership and the need to ensure the environment for our people on the ground. That is why I am also in frequent touch with U.S. Secretary of State Christopher. His country is looking at the role it might play for the first time in this troubled region.

I am working to ensure that our peacekeeping activities are co-ordinated with those of other governments, for example and in particular, in the case of our allies' promise of support to Canadian troops in Srebrenica.

I also constantly remind other governments that the planning of any further military action in the former Yugoslavia must take into consideration the safety of peacekeeping forces and humanitarian workers already on the ground.

Those are the kinds of diplomatic efforts our peacekeeping forces require from government. What I find most offensive about the Liberal Party's attack is that it undermines the efforts we are making in concert with many other countries to try to move the Yugoslav conflict to the stage of negotiations.

I want to assure the people of Canada, particularly our people on the ground and the families of our peacekeepers, that we went into the former Yugoslavia with our eyes open. We joined UNPROFOR in Croatia to help monitor a ceasefire and to prevent massive bloodshed. The international community's efforts there, and I want to underline this for the House, have met with success. The so-called Sector West where Canadians are deployed is tense but it is quiet and it is the most stable in the region.

Next week I am going to visit our troops there and tell them how proud Canadians are of them. Despite difficulties in fulfilling the mandate of UNPROFOR due to distrust and hatred on both sides, there is no alternative to renewing the mandate. UNPROFOR I, with Canadian participation, has saved countless lives in Croatia and Canadians are proud to share this success.

Canada joined UNPROFOR II in Bosnia for a compelling humanitarian mission: to escort convoys of food and medicine, and to protect refugees from attack. Again this has saved thousands of lives but has tragically not resolved the conflict. No one is more aware than I of the terrible personal tragedies, the rape of women and girls, the agony at the loss of homes and loved ones.

We are in constant touch with UNPROFOR and with the United Nations in New York to ensure that our soldiers have the support and guidance they need to discharge this very difficult mandate. We have ensured the appropriate participation of Canadian military officers in the over-all command structure.

I want to reassure Canadians particularly about Srebrenica, a place where all the world is focused at the moment. On April 6 the Security Council decided to

establish a UN presence and a "safe area" there to avoid a mass slaughter of some 30,000 besieged Bosnian Muslims.

UNPROFOR decided to send a company of Canadians and brokered a demilitarization agreement between Serbs and Muslims. The mission, I want to point out very proudly, is a major barrier to further tragedy in that town.

While it is not without risks, we have examined thoroughly the safety of our troops. We are satisfied by our consultations with the United Nations and with key colleagues such as the United Kingdom and France that have offered their support and assistance if necessary.

• (1600)

I want to clarify the mission because, despite mistaken assertions that our 194 soldiers are there to defend thousands of unarmed Muslims against thousands of well armed Serbs, this is not the case. This is a peacekeeping situation where UN peacekeepers are asked to monitor an agreement signed by both parties. It is not their mandate to become a party to open warfare.

There is some kind of mythology that soldiers in peacekeeping missions are not well equipped. They are not well enough equipped to resist a major attack, but they are better equipped than the public has been led to believe by the sceptics opposite.

The soldiers can defend themselves and they can protect villages against rogue elements. They are trained to do so and they are equipped to do so. Should there be a massive onslaught, of which there is no indication as we speak, the peacekeepers would be backed up or they would be pulled out.

My visit to Bosnia next week may well provide me with additional insight which I will be happy to share with this House once I return. Once again I shall be in a position to personally tell our troops of our great pride in them.

I want to spend a few minutes talking about Somalia. When Canada decided to join the initial peacekeeping operation it was also in response to concerns expressed by Canadians about an appalling human disaster. Should Canada have decided to ignore the reality of starvation and banditry? This government said no. Our soldiers there, our peacekeepers there, have once again committed themselves in a way that Canadians can be proud of.

Early on it became apparent that traditional peacekeeping would not work. We agreed to join a peace enforcement operation mandated by the UN and led by the United States. We did not take this decision lightly. Once again my colleague, the Minister of National Defence, and I consulted closely to ensure that we were satisfied with all aspects of the proposed operation, its objectives and the rules of engagement. We agreed that the requirement for troops was urgent and that the concept of operations was sound.

Canada played a critical role in ensuring progress in establishing a secure environment in Somalia. Our troops fed thousands of starving women, men and children. Canada insisted—we were in the forefront internationally of insisting—that priority attention be given to disarming the gangs that preyed on the unfortunate population. Enough progress has been made that a United Nations commander can now take over from the Unified Command. When in Somalia in about 10 days, once again I shall reassure our troops there of our continued admiration and support.

My final point in this debate is that there are constructive possibilities too. The opposition has paid no attention to some of the things we are engaged in and some of the things in the Secretary-General's agenda for peace referring specifically to preventive diplomacy. In many respects that is another new frontier, a frontier in which this government has played a strong role internationally, a role that has been acknowledged by many other countries.

We have a long way to go when we talk about preventive diplomacy. We have a long way to go before we understand how to recognize signs of impending conflict, how best to cut conflicts off and how they affect national sovereignty. Some of these things can blight a generation and destroy a country as the tragic circumstances of the former Yugoslavia show if they are not headed off in advance.

Canada is represented in CSCE monitoring missions in Kosovo and in the former Yugoslav Republic of Macedonia. There, so far, we have seen greater stability because of those efforts. Likewise we have participated in preventive deployments as when we sent several

hundred troops to the same region of the former Yugoslav Republic of Macedonia earlier this year.

There is a lot more to be learned about how to perform this kind of role. What kind of monitoring techniques reduce tensions and restore calm? What addresses the underlying causes of conflicts? That is one direction in which I would like to see discussion in this House and in the country. So far we have not seen much constructive debate or much constructive contribution from the other side.

• (1605)

Early warning, preventive diplomacy and preventive deployment are tasks that do not always require the same kinds of massive forces and resources as are needed after the fact. However, they do need special sensitivity and they need to be tackled with discretion and expertise.

Those are two attributes that have marked our international reputation throughout the post-war period. However in the post cold war era, we are heading into a new environment. We are able to advance our capacities in that direction. Indeed we have a chance to add further lustre to our reputation and provide leadership for other countries that perhaps do not have the experience and the same sensitivity to ethnic differences, to self-determination and other things that Canadians really know something about.

As I said, next week I will be in Croatia and Bosnia followed by Somalia. I will meet with our people on the ground. I will have a lot of questions to ask because I believe that in sensitive operations such as these, clear and effective communication requires constant attention. We are breaking new ground. If the opposition chose, I think it could have a real contribution to make to that. So far it has not chosen to.

I will return with a livelier appreciation of the problems. I know I will not be disheartened by the attitude of our people in the field. They are facing an enormous challenge. We are fully supporting them and we are being innovative in how we do so. Peacekeeping in the nineties is a different proposition from what it was in the early days when we did lose some of our peacekeepers, but it remains an aspect of our international activities to date through which we rediscover our national purpose and makes us even larger than the sum of our parts.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, it has been my privilege to welcome back on more than one occasion to CFB Chilliwack people from 1-CER, the Combat Engineering Regiment. I must say I have been very proud of our people and the roles they have fulfilled as they have taken on the responsibilities of United Nations peacekeeping force. Actually it was in a war-like situation, certainly 18 months ago or whenever they were in Iraq and Kuwait.

I am also pleased to know a date is looming on the horizon, in the not too distant future, when our troops will come back from Somalia.

In Croatia, Bosnia, and I do not know how many other areas that are part of the former Yugoslavia—we are in several areas there—does she have any guestimate as to how long our troops might have to be there? Does the United Nations have any timetable of how long Canadian forces would be required to fulfil their role? Maybe the minister could give us an outline of how many different places in former Yugoslavia Canadian troops are at present.

Mrs. McDougall: Mr. Speaker, I am glad to have that question from the hon. member. One thing we have not been able to do very well as a member of the United Nations or as part of the collective in the United Nations is find ways to easily end the engagements we enter into.

We can see that from Cyprus where we have been engaged for 29 years. As a result we are bringing people home because we feel that has been a major contribution to stability in the region and that others can assume those responsibilities. More important, the parties should get together. It is their own responsibility to bring that to a conclusion.

In terms of Somalia we were in for a limited period of time. As part of the enforcement mission which was obviously a bit outside the normal guidelines for peacekeeping but well within the guidelines and the charter of the United Nations, we did say we would only go in for a limited period of time.

I cannot give the hon. member a specific date but our troops will be leaving Somalia very shortly. Perhaps we

will have some leaving at the end of May. We are just looking at how that should happen or whether there will be a need for a continued deployment for a very short period afterward.

• (1610)

In the former Yugoslavia we have a slightly different situation. We have peacekeepers, as I pointed out, in Sector West in Croatia, we have some unarmed police who often get forgotten about who are keeping the civil peace and we also have our troops in Sarajevo and Srebrenica and other parts of Bosnia. As I suggested we have participated with a troop deployment in the former Yugoslav Republic of Macedonia and we have had observers in that region in Kosovo.

Obviously under the current circumstance it is very difficult to put a conclusion on that in terms of a date. We are urging an end to the dispute through negotiation and through trying to bring the parties together. These are all the things that are needed in order to resolve at least the dispute or the conflict or at least the tragedy even if we cannot end the hatreds and divisions that are driving the region in the foreseeable future. I understand the hon. member's concern for the timing of these missions.

Mr. David Kilgour (Edmonton Southeast): I wonder if the minister would be kind enough to tell us how much she expects the operations in Somalia to cost the Canadian taxpayers.

Before she does so I would like to quote from Dr. Mahbub ul Haq. He is the head of the UN development program who said I believe in Ottawa not very many months ago: "The threat to you Canadians will come not from ideological differences but from poverty. Your 5 per cent of the world's people will have to deal with the 95 per cent in developing countries. You can stop poor people at your borders but you cannot stop poverty from spreading in the form of drugs, pollution and terrorism".

The government has cut our ODA enormously. There has been no public or even parliamentary consultation on it. It was an update, in fact a memo, entitled "An update" that decided which countries would live and which would die, so to speak.

I do not think the minister, with respect, understands that Canadians feel very strongly about these issues. Canadians feel it is moronic to spend a billion dollars in Somalia trying to relieve tragedy there when at the same time we are cutting off Uganda or a host of other countries for reasons that have never been adequately explained. I wonder if the minister might explain them today.

Mrs. McDougall: Mr. Speaker, I assume that the hon. member was serious in his intent in the first part of his question. I do not have the figure with me on the costs in Somalia although at one point we did go through them. The mission has had several changing concepts. I would be glad to get him the figure on the cost if he would like.

Mr. Kilgour: Just an approximation.

Mrs. McDougall: I know roughly what it is but I thought the question was serious and that he might want to actually have a precise answer in which case I would be happy to get it for him. However, it sounds like he is not interested.

I would like to point out that our aid program has not been cut drastically. Indeed, it went up faster than government expenditures for quite a number of years and has really only been subject to cuts very recently.

In terms of any changes that will come to our aid program, there are a number of changing demands on it. It is not just Russia and the former Soviet Union and countries such as that. It is environmental concerns. It is whether or not we should maybe concentrate more on particular countries and have a greater impact in certain regions. There were some decisions made by CIDA last year in its own programming made internally about how to deploy its funds within Africa.

However, I want to assure the House and the Canadian people that first of all the funding remains for famine relief and other emergencies. There is no change in our policy on that. That money is there when it is required.

Second, any changes that we have been looking at internally will be brought to the Canadian people for consultation. There is absolutely no intent to not do that. I understand the significance of aid. The hon. member has said that it does not make any sense to cut out funding to one country and to spend a billion dollars in Somalia. Let us look at what happened in Somalia.

Without going in and creating an environment where we can feed people there is no point in having an aid budget. Obviously that is another change.

Here is one of the things that was discussed in the peacekeeping seminar that I conducted and hosted in February where we had a number of aid people. They suggested that instead of our aid program being quite independent of our peacekeeping program that we should look at providing aid following an exercise such as the one we are engaged in in Somalia. There should be greater integration between CIDA programming and our peacekeeping, peace building and democratic institution building operations. That is a point that is very well taken. It is one that I have asked our people to look into. When we are in a position to do so we will be bringing forward a discussion on what our aid budget should look like in the future. I think the hon. member will be satisfied.

• (1615)

Many of the non-government organizations were quite alarmed early on when they heard all these rumours and all the speculation about changes to our aid program. When they actually sat down and talked about what our approach was going to be they said that that is something they could live with and looked forward to being a part of the discussion.

Mr. Kilgour: Name one.

Mrs. McDougall: CARE.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, may I say at the beginning that the intention at this time is to divide the 20 minutes that have been allocated to the NDP caucus between myself and the member for Trinity—Spadina. I will speak for the first 10 minutes and the member for Trinity-Spadina will have the remaining 10. I trust, Mr. Speaker, that you will let me know when my 10 minutes are up by giving me the appropriate signal.

I am pleased to speak to this motion by the Official Opposition.

> That this House condemn the lack of leadership, the evasion of accountability and responsibility and the inadequate credibility of the Minister of National Defence that have exposed members of the Canadian Forces on difficult and sensitive peacekeeping missions to unnecessary vulnerability and that contribute to the gravity of national fiscal problems by her persisting in the acquisition of enormously expensive equipment designed for missions no longer contemplated.

The words "inadequate credibility" make an interesting phrase.

It is a wordy motion but I think the merit of it is that it provides us with an opportunity to debate a number of things that the House I think has been yearning to debate for some time because of the prominence of the role that Canadian troops have taken in situations in the former Yugoslavia and in Somalia.

I think it would be a mistake for people who are watching or for people on the government side to think that somehow this concern is only manifested because the Minister of National Defence happens to be a candidate for the leadership of the Progressive Conservative Party and therefore for the job of Prime Minister, however briefly.

It is something that would have come up anyway. It may be a misfortune for the Minister of National Defence to hold a portfolio in which there are pressing issues at the same time that she would like to devote herself full time to the leadership race. The fact is that no matter who the Minister of National Defence is at this time I think it is fair to say that the opposition would be wanting the same kind of answers and having the same kind of concerns as we have now.

I think the Minister of National Defence did play a very dangerous game for herself and for the House of Commons when she basically tried to avoid the House on these issues. I think the opposition was quite within its rights to complain and to protest that the Minister of National Defence ought to have been in the House. The opposition was right when it objected to the fact that for a while anyway she was not here to answer our questions and to give an account of her own involvement in these issues particularly of course with respect to the situation that developed in Somalia.

The minister did come to the House. I think she would have done herself irreparable damage had she not. Maybe we need to think about some rules for the future about the role of ministers if, as and when they become leadership candidates. Maybe there should be some obligation on their part to step aside and allow someone to take their place.

• (1620)

Frequently I am sure that this is not a big deal. It may be that the particular portfolio that a leadership candidate has is uneventful during the term of the leadership race. In this case—perhaps the exception here should dictate the rule—it did not turn out to be that way. We found out the inadequacies of having people on the road doing party things, ministers in particular, when they should be here in the House answering for things that were happening in their own departments. These are things that were obviously of concern not just to members of Parliament but to Canadians, to the families of Canadians that are on duty in Somalia and in the former Yugoslavia and to people who are concerned everywhere about Canada's good reputation as a peacekeeping nation and one that provides peacekeepers.

I mention the problem of reputation because one of the things that disturbed me immediately was that the minute the opposition began to ask questions about events in Somalia the first reaction of the government was not to say: "Yes, we share your concern about this", but to try to smear the opposition by implying we were trying to bring the Canadian Armed Forces into disrepute. We were guilty of innuendo and everything else.

I remember very well the difference in the attitude of the government House leader from one day to the next. When the hon. member from Victoria first raised a matter concerning Somalia he was accused of all kinds of things. Then when the letter from the Canadian Armed Forces person to his spouse was released subsequent to that then all of a sudden the tone changed.

Why could the question from a known and responsible member of Parliament not have been treated with that kind of seriousness in the first place? Why did we have to go through all these kinds of playground antics about that member or any other member having an attitude toward the Canadian Armed Forces?

It seems to me that one can be a friend of the Canadian Armed Forces or the people who serve in the Canadian Armed Forces and still be a critic of government policy and still be interested in seeing that justice is done with respect to particular events or particular actions that may be taken by particular individuals in the Canadian Armed Forces.

I thought that was why we went to war on a number of occasions in the first place. It was so that we would have that kind of freedom to stand up in this place and ask honest, forthright questions not just about what bad guys do but about what sometimes the good guys do. It is sometimes the case that one gets bad behaviour even within groups and institutions that one might otherwise respect. That is all we were doing.

I think the early response by the government members was quite despicable in that regard. They were the ones who tried to turn it into an exchange of cheap shots.

We were the ones who were concerned about the reputation of the Canadian Armed Forces and the reputation of Canada as a peacekeeping nation and as a country that has a reputation for providing competent, reliable and professional peacekeepers around the world whenever they have been needed.

I have had the opportunity personally as a member of Parliament to visit a number of Canadian peacekeeping operations. I have always felt good about the work that people were doing whether it was on the green line in Cyprus that I had an opportunity to tour at one time or working directly with experienced Canadian officers with peacekeeping experience during my time on the special committee on the peace process in Central America or visiting peacekeepers in other contexts as well.

• (1625)

We have a great deal of respect for the work that Canadians do. It is because of that respect that we raise these issues with trepidation. No one enjoys raising these kinds of issues.

The government should have been more forthcoming and the minister should have been more forthcoming. Now that there is some evidence of a real discrepancy between what the minister told the House and what her own chief of staff said was the case with respect to who knew what, when and where, I think that the call for a public inquiry that has been made by a number of people is a legitimate request. It is not enough just to have a military board of inquiry because a military board of inquiry is a very secretive thing. I had some experience with them in the early 1980s. One of my constituents was killed in a militia accident. It took us a couple of years to

get the transcript of the board of inquiry. When we did get it a great deal of it was blotted out. We only got that through the freedom of information process. I approach this issue with a certain amount of scepticism about boards of inquiry.

We do need more debate in this House about the changing role of peacekeeping. The minister acknowledged this. She had a conference on it. There needs to be more engagement of members of Parliament and of the Canadian public in general in debate about the changing role. We used to be peacekeepers and when we were peacekeepers there was a peace to keep.

Now we go into situations in which we are also involved in humanitarian aid while the bombs are falling. We are also involved in something that might be called in some cases peacemaking and in others peace-enforcing. There are a lot of ambiguities and new risks and dangers that attend these kinds of activities.

I would certainly recommend to the government that it provide some of its time for debate on these issues. Perhaps we could even have a special debate to enable more members to express themselves on these issues which are such a strong concern for a lot of Canadians.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am also pleased to have an opportunity to make some comments on this issue. I do not wish to reiterate comments my colleague has just made or comments my colleague from Victoria made before lunch. They covered those very well.

I wish to address another aspect of the problem. We have had acknowledgement, not just in this House but in other parts of the establishment, that there are some problems with regard to Canadian peacekeeping. I am going to refer to that briefly.

What I want to do in my time is to go a little bit deeper into the problems that come to us from the situation in the world and which have given the Canadian government, the Canadian Armed Forces and the Canadian people a different situation with which we are not accustomed to dealing.

The way the problem has appeared in the first instance is that our Canadian Armed Forces seem to be not as well trained as they might be or should be. I do not want to belabour it but I just want to reiterate briefly that is the opinion not just expressed by certain members in this House or certain members of the public but by the military, the Armed Forces establishment.

I am referring partly to a report that came out a couple of years ago. It states:

> From the Canadian Forces Staff School, through the CLFCSC and the CFCSC, PKO—

—which stands for peacekeeping operations—

> receive little if any attention. The only formal class taught is at the CFCSC where a one-period lecture on PKO is followed by a one-period syndicate discussion.

• (1630)

There is another report, also from the Armed Forces, and it is dated July 1991. I will come back to the question of date. It reads:

> There has been in the Canadian forces a prevailing attitude that we need do very little in the way of preparation of our peacekeepers because of the basic military skills already learned. Unfortunately, this attitude is causing difficulties in competing with other peacekeeping contributors which are paying attention to the expressed wishes of the UN, and which are gradually upgrading their peacekeeping skills.

That is the end of that quotation. I want to add another one from a 1991 staff paper prepared for General de Chastelain. It reads:

> The concept of a national centre for peacekeeping is sound. It would be cost effective if there is to be any dramatic increase to the number of peacekeeping missions to which Canada contributes.

What I want to say is that although those reports are two years old this comment, which is dated in 1991, indicates a recognized need for some remedy.

I have another comment. It is from General Clayton Beattie. He says:

> If you want an important job done well, do it the way Canadian forces have routinely done it for their other priority tasks: develop a training centre. We have land combat training centres, maritime training centres, basic training centres, flight training centres, engineering schools, schools for administration and logistics, and so on. It is time DND developed a peacekeeping training centre.

It has been recognized that we need upgrading and improvement in our peacekeeping training. I believe the matter has not been dropped by the Armed Forces but I do not want to go into the details of what may or may not be done since those comments were made within the Armed Forces.

My point is that events in Bosnia and Somalia in particular have changed the need. Peacekeeping is not what it used to be. The question arises particularly because of attempts to deal with situations that peacekeeping did not deal with on previous occasions and which do not seem to have been envisaged by the late Prime Minister Pearson, who initiated this.

With the Moscow–Washington cold war gone the old fashioned peacekeeping operation has to be reconsidered. There was a negotiation, including the small and the great powers and the superpowers, and an agreement that a certain line would be honoured and then people were sent in as honest brokers from the most neutral countries that could be found or the most willing countries that could be found to observe, monitor and report, and by that means they would try to maintain the integrity of that demarcation or peace line.

Out of that, over a period of several decades, grew the general concept of peacekeeping which concentrated on humanitarian relief, election monitoring, civil administration, observation, fact finding, early warning, mediation and arbitration. All of those are not really military functions but they are close to military functions. They do not involve the direct use or even a serious threat of armed force.

• (1635)

Now we are being asked to consider preventive deployment, perhaps in Kosovo, and peace enforcement, such as a blockade on the sea and a blockade on the Danube. No plans for this have been laid down by the United Nations.

Secretary–General Boutros–Ghali is trying to lay down rules but it is not really settled yet. It is not really clear among Canadians. We are no longer locked into a fixed situation, an obligation to the United States. We are asked to do many things and we cannot do them all.

There is a strong feeling that we should select one that we could do well, which is the peacekeeping operation. That would be Canada's independent way to serve the world.

With respect to the peacekeeping operation, I want to say that we have to look to where the main conflict is and not be completely obsessed with immediate examples. The main conflict now is between the north and the south, particularly the countries of the Atlantic community that used to control most of the other countries by military conquest and as colonies. Since World War II those other countries have achieved at least nominal political independence and are members of the United Nations. That also happens to be the division between the richest nations and the poorest nations.

In that respect I want to refer to the United Nations report on development by Dr. ul Haq. He says:

> In 1960, the richest 20 per cent of the world's population had incomes 30 times greater than the poorest 20 per cent. By 1990, the richest 20 per cent were getting 60 times more. And this comparison is based on the distribution between rich and poor *countries*. Adding the maldistribution within countries, the richest 20 per cent of the world's *people* get at least 150 times more than the poorest 20 per cent.

That is obviously a recipe for trouble, and not just for the poor people. Some of them want to change their status. Dr. ul Haq pointed out when he met our committees that his opinion is that future wars will not be so much between countries as between peoples so that peacekeeping rather than policing will be what is needed.

Policing is for governing a territory. Handling disputes between peoples requires a different approach and a different technique. What we therefore need is an inquiry that is an exploration within Canada and within the United Nations on just exactly what things need to be done for peacekeeping and how to get them done.

I am not at all sure that enforcement should be part of peacekeeping. I agree with a *Globe and Mail* editorial that once said that this peace enforcement looks like war enforcement. This peacekeeping looks like war–making.

We do not have the clear boundary line between peacekeeping and war that we thought we had for several decades. Part of what we have to decide today is that this subject of what is peacekeeping in the new situation between the richest peoples and the poorest peoples, wherever their territorial boundaries are, is where we have to look at making our contribution toward world peace.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a question for my colleague from Trinity—Spadina.

I took to heart his comments about the divisions in wealth prevalent on our planet. I think particularly of the fact that we are now involved in peacekeeping operations in Somalia, which surely must rank among the poorest territories on the planet. In terms of the internal troubles besetting the Canadian forces it seems to be

generating more than its fair share, at least in terms of troops dispatched about the planet.

I would like to ask the hon. member if in his opinion that which Canada is now attempting to achieve in Somalia at least to some degree by force of arms could not in the long term be better sought through the use of generosity of spirit.

• (1640)

Mr. Heap: Mr. Speaker, I thank the hon. member for his question. I think the direction in which he is looking is spot on.

I have no particular knowledge of Somalia but I would like to speak about a roughly similar example, El Salvador. I visited it in January and several times before. Guatemala is another example.

The United Nations has gone far beyond peacekeeping in El Salvador. It has helped to monitor a cease-fire in which not one shot was fired on the combatants in a year, which is remarkable. It then supervised and validated about a year of negotiations for the peace accord, signed in the presence of the outgoing Secretary General of the United Nations. He would not let them go until they had finished the job of signing it.

Under his successor, the United Nations with strong Canadian participation has remained present in El Salvador. It is now committed to remaining until at least a month after the elections which will be held in early 1994. That will ensure, as far as international action can, the peace accords, the economic rearrangements, the human rights rearrangements, the juridical rearrangements and to cap it all off, a peaceful, clean election in March of 1994. The United Nations has committed itself to that.

There was precedent for that when the Government of Nicaragua invited the United Nations into its election. It is not the same in Somalia because it is not a state, so I am told, because it was destroyed. I think that kind of peaceful intervention by the United Nations is likely to be far more productive for all concerned than leaving it until there has to be shooting and bombing to resolve a situation that was allowed to go too far.

Mr. Ken James (Parliamentary Secretary to Secretary of State for External Affairs) Mr. Speaker, I welcome the opportunity to speak on the opposition motion as presented.

I want to address the claims by the opposition that members of the Canadian forces who are now on peacekeeping missions around the world have been somewhat exposed or would be exposed to some sort of vulnerability. I think that is of concern and it is important to talk about it.

The situation, of course, is dangerous. It is obvious to anyone who watches TV or reads a paper that our peacekeepers are exposed to certain dangers. To wantonly question the efforts of the men and women of the Canadian forces when they really need unity and support is on the edge of being shameless and is a concern of mine.

Before moving to the actual situation on the ground in former Yugoslavia I want to first outline for the House how the men and women of the Armed Forces are prepared for peacekeeping. I think the member for Trinity—Spadina had some concern about how we should be preparing our peacekeepers and it is important to speak to that.

There is a false impression in some quarters by other people, not the hon. member, that we can simply walk in off the street and become peacekeepers by donning berets. Of course this is not possible.

• (1645)

The general purpose combat skills of the Canadian forces have become more and more essential for most of the personnel we are deploying, especially those who are going to the Balkans. Not surprisingly it has been said that peacekeeping is not a job for a soldier but it is a job only a soldier can do. This is only too valid a point today.

In fact on the basis of 44 years experience on five continents the Department of National Defence rightly believes that the best peacekeeper is a well-trained soldier, sailor, or aviator who knows his or her trade.

The suggestion that the government would recklessly send a poorly trained or improperly equipped contingent

on any mission around the world is absolute nonsense. If everyone here really thinks about it they know that.

The basic military training of our forces training for the defence of Canada or to meet the collective security obligations is the source of their flexibility, their ability to respond to critical situations and of course their discipline. These are all key attributes required for peacekeeping.

I should not go further without taking the opportunity to talk about training because the hon. member for Trinity—Spadina has concerns about that. Members of the Canadian forces believe it is the training they get that makes them the kind of peacekeepers they are.

To ensure that high quality training the Armed Forces continually evaluates the methods the hon. member was concerned about and makes needed improvements as a matter of course. Some studies have identified the need for specialized training focusing on environmental, cultural and administrative preparation. Such training is decentralized and normally tailored to the very specific missions that our peacekeepers are going on.

For example a battalion selected for duty receives mission oriented training at home and before departure. Officers to be posted as UN military observers normally receive eight days training to prepare for their duties. There is a concern about training and the hon. member is certainly right in that we do constantly train. As the hon. member mentioned there must be a kind of flexibility so we can adjust to changing times.

Even the United Nations regards basic military training as a source of many of the skills required for peacekeeping. I do not want to suggest that there is not some concern about how those in the military who are fighters become peacekeepers. They are certainly trained to be flexible and there are training schools to do all that.

The Department of National Defence also endeavours to work with, receive information from and dialogue with the United Nations with regard to training.

There is a one week indoctrination and training process conducted at CFB Montreal every quarter for all those who are designated to serve in places like the Golan Heights and Syria.

• (1650)

An eight day training program is held once a year at CFB Montreal for the officers warned of possible postings to existing missions as military observers. There is a three day intensive training session which is held at National Defence Headquarters in Ottawa for officers warned of immediate departure for peacekeeping operations.

Obviously, training of Canadian forces for peacekeeping is appropriate for the tasks at hand. This has been borne out by the fact that for more than four decades 90,000 Canadian men and women have been involved in keeping the peace around the world and less than 90 personnel have lost their lives. Certainly the record has been excellent. We have a tremendous reputation and considering the number of people, over 90,000 men and women, who have been involved in peacekeeping it is quite a record.

The Canadian peacekeeping experience is the collective result of our people and our Canadian forces being involved in patrols along the green line in Nicosia, clearing mines in the sands of Kuwait and patrols in the jungles of Indo–China. It is an experience which is sought after by a growing number of United Nations member states.

It is not surprising that Canada is asked to share its peacekeeping experience with other nations and has provided briefing teams. The success of our peacekeeping abilities has been noted by other countries. Canada has provided briefing teams to more than 20 different countries around the world. Members of the Canadian forces returned just late last week from such briefings in Egypt and Pakistan. We are helping other countries around the world.

Canada is a respected member of the international community and it is one of the reasons why we are always being approached by the United Nations to provide our experience and our excellence to peacekeeping missions. Other countries know this and are eager to know what makes Canada and Canadians such able peacekeepers.

Time and time again they are told that it is basic training as the hon. member from Spadina stated. It is discipline, combat skills, suitable equipment, good communications and able logistic support. All those things are part and parcel of the success of our forces.

These qualities of course are also why we are approached by both the European Community and the United Nations to provide personnel for the international efforts to bring peace to the former Yugoslavia. In fact Canada was among the first to call for international action to resolve the crisis. Canada took its place among the members of the international community and agreed to do what it could to help end this horrible conflict.

Even though experienced peacekeeping personnel were required in the former Yugoslavia, the government carefully considered the conflict in light of the criteria or guidelines which have evolved in Canada to assist the government in deciding whether or not Canada should participate in peacekeeping missions.

Besides the training and military aspects I think the opposition will be reassured to know there are also important criteria that are considered before deciding whether we will go with the mission or not.

While these criteria are clearly not absolute they have served Canada well and include a number of areas. There must be a threat to the international peace and security of the country. The mission must be linked to efforts to obtain political settlement. The mission must have a clear and enforceable mandate. There should be agreement by the principal antagonists to the presence of Canadian troops to a peacekeeping mission.

• (1655)

The mission must have a clearly defined concept of operations and an appropriate command and control structure. The size, equipment and international composition of the forces must be appropriate to the mandate. The mission must have an appropriate logistics concept to support the force. The mission should be accountable to a single identifiable authority competent to support the operation. The mission must have an appropriate funding arrangement. The mission must have clear rules of engagement. The risk to Canadian forces personnel must be acceptable. The mission should not jeopardize other Canadian forces missions.

There is a good long list of very important points in the criteria of making the determination to be involved.

It was only after considering all the implications that the decision was made to join the international efforts to bring a measure of peace and security to the Balkans. I am sure all members of the House will agree that we as Canadians should not condemn the brave men and women of the Canadian forces who are in the former Yugoslavia for trying their hardest in other places in the world to help.

Many Canadians, indeed several members of Parliament, have asked why Canada has even become involved in efforts to bring peace to other parts of the world. The answer is simple. Successive Canadian governments have argued that a safer, more secure international environment is key to Canada's continued security and prosperity.

That is why in addition to defence and collective security, and efforts to promote arms control and disarmament, the peaceful resolution of disputes has remained one of the key pillars of the Canadian defence policy.

That is why Canada is a strong supporter of peacekeeping and related operations. We are concerned with threats to the larger international community which might occur as a result of spill-over from more localized conflicts causing us a great international problem.

Some 4,300 Canadian forces personnel are now participating in more than a dozen peacekeeping and related missions world-wide including the European Community modern mission and the United Nations protection forces, both of which are now operating in the Balkans.

As we all know Canada is currently making a significant contribution to the ongoing international efforts to bring peace and security to the region by contributing more than 2,100 members of the forces to these two countries.

Mr. Speaker, I want you and all Canadians to know how very proud I am of our Canadian forces military personnel in the work that they are doing throughout the world. I am very pleased that we as a government are in total support of them wherever they have been as in so many key parts and countries of the world as they are today. Also as a government we are firmly convinced and behind them supporting them in the kind of equipment they need.

The other thing those peacekeepers, the military and Canadian forces need to know is that they are solidly supported by Canadians, by the people back home when they are doing this work. Yes, they go into this line of work knowing they are going to be in dangerous positions, but they want to know that we are going to continually provide the best in equipment for them. Really what they would like to be provided with is solid support by their people back home.

Our government and I totally support them in their endeavours. Trying situations and problems arise sometimes but with the number of people we have sent abroad, the number who have remained unmaimed or unhurt and have contributed so greatly to the world, I applaud them and I applaud our government for the total support shown to our Canadian forces.

• (1700)

Mr. Bill Domm (Parliamentary Secretary to Minister for Science): Mr. Speaker, one thing I have noticed over the past few weeks in the House of Commons, is there has been a great deal of concern expressed by opposition members over the acquisition of equipment. In fact, I think that probably motivates part of their motion today which talks about the acquisition of enormously expensive equipment designed for missions no longer contemplated.

I would like to speak just for a moment on Ontario's position on the acquisition of these EH-101 helicopters. The industrial benefits to Canada with this acquisition will total 113 per cent of the purchase price of the EH-101s. This means more money will flow into Canada over the lifetime of this project than the Canadian government will spend on the purchase of the EH-101s.

Let us take Ontario as an example. I am quite impressed with the job creation this will afford us. Ontario will receive 27 per cent of the total industrial benefits from this national program. Among those companies from Ontario that will benefit from the program are Fleet Industries of Fort Erie, West Heights of Kitchener and Spar Aerospace of Toronto.

Including the helicopter's electronic systems more than 50 per cent of the Canadian aircraft's components will be made in Canada. Thirteen major components of the EH-101 helicopter will be built in Canada. More than 10 per cent of every EH-101 sold world-wide will be Canadian made.

We have the frigates. We have the aircraft. Now we are going to get the kind of equipment we need. It does represent a commitment over a 10 or 13-year period of some one point so many billion dollars a year, but it is within the framework of the budget. It is in the restraint cutbacks given to the defence department to spend. It is the choice not only of the chief of staff and all his people but it is also the choice of cabinet that in order to complete the frigate program and give added safety to our shore patrol we need this to couple with the frigate to do the kinds of missions needed.

I wonder how the member feels about the acquisition of this equipment and the jobs that it might mean in his area.

Mr. James: Mr. Speaker, I thank the member for Peterborough. One thing that never fails to amaze me in this House is the hypocrisy that goes on here. If next week we had some of our search and rescue people go down with a piece of old equipment, the hue and cry would be massive. Therefore we are in the process of buying new equipment for our search and rescue and for our Canadian forces and now we are having fault found with that.

I was asked today by some young school children what I thought of this when money is in such short supply. I told them that I was raised in an environment where we did not have a whole lot. I can remember when I was quite young we had to borrow money and the question was whether to fix up the old car or buy a new one. The latter certainly was probably the more intelligent way to go and that is what we are into here.

The industrial benefits—

An hon. member: Baloney.

Mr. James: Well, I am not going to convince the other side. This is the other thing that happens in this place. I sat here very quietly when they spoke and I expect the same to be done for me across the way. Canadians do not appreciate this kind of thing, especially from a close colleague like I have in Kent. That really gets me a little concerned.

• (1705)

The industrial benefits to Canada will total 113 per cent of the purchase price. The spin-off is absolutely fantastic. It has rolled across the nation. Ontario will benefit a great deal with the industrial benefits.

The Liberals want to spend all sorts of money on make-work projects. Never mind using all the Canadian taxpayers' money on make-work projects that only lasted until the people left town and closed up the place. There were years and years of that. So do not tell me about providing our Canadian forces with something needed. The kinds of thing that were mentioned in here today in this oddball motion that was even difficult to read. Now we want to give them up-to-date, modernized equipment and not have to spend all sorts of money on equipment that ends up being 40 years old. It also provides work and jobs across our nation as a spin-off from that very important purchase.

No, the hon. member would rather just take the Canadian taxpayers' money and for every dollar collected send it back out on a make-work project where 50 cents of it falls off the table before it gets out there. Canadians have had far too much of that sort of thing.

Mr. Kilgour: The country is broke, Ken.

Mr. James: We will have the new modernized equipment that took six years of study to provide to our Canadian forces, our search and rescue people and our military the kind of equipment needed, which they seem to be concerned about in this goofy motion that was put forth.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, we have heard some awful kinds of logic in this debate but we just heard one of the worst.

Other people have estimated that if the $6 billion were used in other ways such as on education and training or on infrastructure it would create as many as 70 times more jobs than this bonanza would.

Why does the member not get up and say that the real reason this project is going ahead is because it is in the riding of the hon. member for Frontenac?

Mr. Crawford: Right on.

Mr. James: Mr. Speaker, the hon. member should take a little time and look at the amount of dollars that are spent by the federal government in the areas he mentioned. Education is very important and rightly so. It is a great concern of mine, as is the whole area of human resource development. Certainly we have to be spending money there and doing it more intelligently.

However, this government spends over $42 billion annually in the whole area of human resource development, in health, in penitentiaries, on the education of our aboriginal peoples and moneys that go back to the poorer families to help them and so on. It is very important and we do spend substantial moneys. I hope we can get better and more efficient at it. At the same time it is broad based.

I again say that the first time a piece of antiquated equipment goes down when we are attempting to save somebody off our shores, the hon. member will be on his feet—

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired for questions and comments.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, on Monday the Minister of National Defence reacted to the budget by saying: "All of us would like to get out of this ethos where the dominant ethos is deficit budgeting". No wonder there is a communication problem in national defence.

We all know that the minister loves to make pronouncements from on high, but after reaching this new height of bafflegab, we can only assume that she was dominated more by ether than by any ethos.

The motion before the House draws into question the credibility of the Minister of National Defence. I am sure the minister herself would be the first to point out that credibility comes from the Latin *credibilis*, meaning worthy to be believed.

• (1710)

How can someone be believed if she cannot be understood?

Just the other night on national television the minister was searching for an international threat that would serve to justify her incredible expenditure of the EH-101 helicopters.

I am certain that being as erudite as she professes she would know that incredible also comes from the Latin word *credibilis*. To her credit she was able to stretch reality far enough to identify Iran as possibly having a submarine that could one day potentially pose a threat to

Canada. Perhaps it would travel halfway around the world to sink some of our Canadian cod.

This is a minister and a government that are still stinging from the sinking of their $8 billion nuclear submarine program and now want to spend nearly $6 billion on helicopters designed to sink someone else's submarines. I guess the minister thinks that if she cannot have any subs then why should anyone else.

Curiously enough the Minister of National Defence is in a pitched battle with the Minister of the Environment whom I am sure would be aware of the perilous crisis that now faces the North Sea nations because of a cold war sub that has sunk off the coast of Norway.

This nuclear submarine is already leaking radioactive substances and threatens to release sufficient plutonium to cause catastrophic damage to the marine environment.

I am sure the Minister of the Environment would be the first to say that the last thing Canada needs is a nuclear sub to be sunk off our coast. This begs the question: Why is this government spending $6 billion to do just that?

Wait, however. The incredible Minister of National Defence tells us that we need these helicopters for search and rescue. They are perhaps to search for her beliefs and rescue her leadership bid.

What she does not readily admit is that only 15 of these 50 helicopters are earmarked for search and rescue. She does not like to mention that Canada has recently purchased 100 utility helicopters for the very same purpose. Nor does she mention that the ferocious turbulence caused by the EH-101 engines may well drown anyone the helicopter may be trying to rescue.

The minister likes to talk about the politics of inclusion. True enough, she has included in her leadership bid at least one prominent lobbyist for the EH-101 contracts. Canadians understand what governs the priorities of members of this government. They understand whose interests come first. They know it is not the interest of ordinary Canadians but that is okay because the Minister of National Defence says she really likes ordinary Canadians although she finds them as boring as she thinks they would find her.

Canadians wonder what kind of cabinet leadership they can expect after the June convention. Are there enough Tories who have read Dostoevsky for the Minister of National Defence to form a cabinet that she would be willing to talk to. Maybe that is why she talks about reducing the size of the cabinet.

With regard to the grim events that took place in Somalia we have now learned that Admiral Anderson repeatedly stated during the course of a press conference that the Minister of National Defence knew that criminal intent might be linked to the death of a Somali man as early as March 18. Yet the minister told the House of Commons on April 26 that she was not aware that the case had criminal overtones until much later: March 31. That was the reason for her delay in informing Canadians.

Because her own chief of defence staff said she clearly knew the seriousness of the incident on March 18 we must ask the Minister of National Defence whether the only things she does not always cover up are her shoulders.

Perhaps this is her idea of open government. It is to treat Canadians like mushrooms. That means to keep them in the dark and feed them intellectual doo-doo.

Just as harmful to Canadians was the budget tabled earlier this week that had as one of its principal objectives to clear the way for the Campbell helicopters to take off with $5.8 billion Canadian tax dollars.

• (1715)

The Minister of National Defence cannot divorce herself from the Tory record. This is a marriage that cannot be put asunder. Even the Prime Minister today in Question Period said that there may be a new Prime Minister but it will be the same government.

The Minister of National Defence says that she has seen the stone tablets that reveal how to cut the deficit to zero in five years. We wonder why she never revealed this wisdom to her obviously inferior colleagues who despite their best efforts could not stop the deficit from rising during their term in office. Perhaps there was no interpreter. What a shame.

The desperation of this government is only matched by the desperation of the unemployed Canadian families whose needs are once again ignored in yet another jobless budget. This is a budget that the Minister of

National Defence supports and a budget which in large measure is a consequence of her flawed defence policy.

There were 382,000 more UI beneficiaries in January than there were in September. While aware of this imminent tragedy in December this government refused to make any serious effort to reduce the UI burden by putting Canadians back to work.

Instead this government preferred to back failing European helicopter manufacturers. Back home all this government decided to do was reduce payments to those Canadians who lose their jobs by an across the board 5 per cent cut in payments. This was the government's response to its failure to create jobs.

To fully appreciate the impact of this cut which was supported by the Minister of National Defence it must be understood that the average weekly payment to an unemployed person was $264.30 in January. Unemployed Canadians may well offer the Minister of National Defence a penny for her thoughts because that is all they have left after nine years of this Tory regime.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the government House leader had loud protestations this morning.

Where are the Conservatives? There is not a single one in the House. Surely in a debate on a government motion there should be a cabinet minister here and I see there is not even one here.

The Acting Speaker (Mr. Paproski): The hon. member knows better. He should not reflect on who is or who is not in the House. There are television monitors. There is business being done behind the curtain and I do not have to reprimand the hon. member because he knows better. There will be members coming in here because he is such a great debater that I am sure they will be coming in here to ask him questions and comments.

Mr. Milliken: That may be, Mr. Speaker, but there is an obligation on the part of the government on a government motion to have a minister of the Crown in this House. I know the Secretary of State for External Affairs was here earlier. She made a speech that was delightful.

The Acting Speaker (Mr. Paproski): I am going to say to the hon. member that I do not want him to reflect on who is and who is not in the House. He can carry on with his debate but he knows better.

Mr. Milliken: Mr. Speaker, you know too that there is a convention in this House that there be a cabinet minister present during discussion of government business. I am within my rights to point out the fact that there is not. I have done that before and Your Honour usually knows that that brings cabinet ministers running. They should be here. This is a government motion. This is an important motion and the ministers should be here to hear the debate but they are not.

Anyway, Mr. Speaker, I will continue with my remarks in deference to your ruling.

This morning in his speech the government House leader ranted and raved apparently *ad nauseam* about the fact that we were bringing this motion only because the Minister of National Defence is seeking the leadership of the Progressive Conservative Party.

I want to make it very clear that in bringing this motion to the House that is not the only reason nor is it the principal reason this motion was brought.

A minister has arrived. That is great.

Indeed the motion itself makes it very clear that the criticism being levelled at this Minister of National Defence is because she is not doing a good job as Minister of National Defence. The evidence that supports that position I think is very clear. I want to go over in some detail the allegation that has been made by my colleague, the hon. member for Bonavista—Trinity—Conception, who put it forward very ably in this House and by the member for Winnipeg South Centre. This was denied so flatly and so hotly by the government House leader. He huffed and he puffed because he did not know what else to say. We have him on the record on this too and I would like to read what happened in this case.

• (1720)

We will recall that the first incident that was complained of took place in Somalia on March 16. We now know that the Minister of National Defence received a briefing on this matter on March 17. She was given this briefing. Her own officials have admitted this and it was clear from the evidence that was subsequently given by

the chief of the defence staff that the briefing was comprehensive. It made it clear there was an investigation with possible criminal overtones underway in Somalia.

On April 2 in this House the hon. member for Bonavista—Trinity—Conception asked a question. I would like to read his question. He said at page 17989 of *Hansard*:

> Madam Speaker, Canadians and members of Parliament were shocked and disappointed to learn of this incident involving the death of a Somali and four Canadian peacekeepers through the media three weeks after the event.
>
> I want to direct my question to the Acting Prime Minister. As a previous Associate Minister of National Defence he would be aware that the commanding officer is required to send a significant incident report to the chief of the defence staff.
>
> When was the Minister of National Defence briefed on this issue and when does she plan to inform the House? If she was not briefed, why was she not briefed?

Then we had the government House leader stand up and start spouting fire and brimstone:

> Madam Speaker, the hon. member as a former military person would well understand that in the military as in civilian life individuals who may be suspected of having committed a crime are entitled to the normal safety measures, are entitled to be presumed innocent and so on.
>
> In order for investigations to be conducted in a fair manner it is necessary that they be done outside the glare of publicity and done in confidence. That is what is happening.
>
> The Minister of National Defence continues to fulfil her responsibilities as she always has. The question of what her officials have said to her and when they said it, as the hon. member will know, is really not a matter for disclosure on the floor of the House of Commons.

In other words it was a stonewall answer. The hon. member for Bonavista—Trinity—Conception, being the diligent and capable member that he was, put the question again to the minister:

> When did the minister expect that members of Parliament and Canadians should find out? If it was not through the media how were we to find out? It is a significant event. I remind the minister that we have a size and scope of peacekeeping operations unprecedented in Canadian history. We have 4,800 Canadian peacekeepers involved in 18 different locations around the world.

I will not read the whole preamble to the question. He then said:

> I want to ask the Acting Prime Minister if he will appoint a full-time Minister of National Defence who will show leadership in the conduct of these operations and who will implement immediately a formalized regular series of briefings on these operations to the Parliament of Canada.

We had another blowhard answer from the government House leader basically saying that we were trying to discredit the Minister of National Defence and giving no answer. Nothing happened on April 2 when we adjourned for Easter. When Parliament resumed on April 19 the very diligent and very capable member for Bonavista—Trinity—Conception was on his feet again and this time the Minister of National Defence was back from her leadership forays to answer his questions. He asked her this:

> Mr. Speaker, two weeks ago, the government House leader stood in the House and defended the government's handling of the unfortunate incident in which the Canadian public learned through the media about the death of a Somali involving five Canadian peacekeepers three weeks after the event.
>
> My question is for the Minister of National Defence. Why did the minister not inform the House of this incident as soon as it happened?

The minister rose in her place and said:

> Mr. Speaker, the incident was made public the day after it happened by a press release from the Department of National Defence in theatre. I have here a copy of the press release that was issued on March 18 of this year.
>
> The event was made public immediately. There was some confusion because a copy of this press release was not communicated to the Department of National Defence in Ottawa and I have instituted a revision of our communications policies to ensure that does not occur again.

Although I have not actually seen this press release, I am told that it is about five lines. This is not a significant document but it was not communicated to National Defence headquarters and that is what the minister pointed out to the House.

• (1725)

The member for Bonavista—Trinity—Conception rose on a supplementary question. I will leave out the preamble. He asked:

> My supplementary question is for the Minister of National Defence who should know it is ultimately the minister's responsibility, and the minister's alone, to inform Parliament and the Canadian public. Why is the minister allowing departmental officials to take flak over this issue and why does she not admit to exercising poor judgment in this case?

The minister said:

> Mr. Speaker, events of this sort are always communicated in the same way directly to the press. There was another event that happened at a similar time that was picked up by the press. This one was not. It is not the custom to always announce these things in Parliament as that hon. member knows well from his experience in the military. As I have said, it was an unacceptable mistake that this was not communicated to defence headquarters and I have taken steps to ensure that error would not happen again.

She was suggesting to the House by this answer it was the fact of this mistake in communication with national defence headquarters that perhaps resulted in a lack of communication in this country.

Whether or not the press release had arrived in DND headquarters she had been told all about it. There had been an incident report filed and she was fully briefed the day after the incident, on March 17. Yet on April 19, over a month later, she was trying to suggest to the House that somehow it did not get out because something did not get to national defence headquarters.

She had full knowledge. A full report had been sent to national defence headquarters and she had been informed of it. Yet she gave this kind of answer to the House. Is this the kind of person who should be Minister of National Defence? It was deliberately designed to create a different impression than was the case. I suggest not.

I want to go to the question put to the government House leader this morning by my friend, the very diligent and very capable member for Bonavista—Trinity—Conception. The government House leader ranted and raved—and I am glad to see a second minister has arrived—about the problem.

The Acting Speaker (Mr. Paproski): Again I am going to ask the hon. member to please not do what he is doing.

You have been doing it since you started your debate. You know by convention, or whatever you want to call it, that you do not say who is, who is not, who is coming in or who is not coming into the Chamber, please.

Mr. Milliken: Now that we have a full house I do not need to refer to presence or absence any longer.

What I wanted to say was that the government House leader, in answer to questions this morning put to him by the member for Bonavista—Trinity—Conception, was asked why it was the Minister of National Defence gave an answer which was very close to misleading.

In his question he said: "How can it have been sent to defence headquarters when the minister was briefed? I have trouble with that". The government House leader said the thing that had not come to defence headquarters was this five-line press release.

Who cares whether the press release got to national defence headquarters? Why would the minister think that was significant when she had all the facts given to her on a silver platter? They were put at her fingertips.

If this is the way she runs the Department of National Defence, how is she going to run the Government of Canada? As an opposition we have a duty to point out the shortcomings of ministers in this House. That is part of our responsibility. This is a major shortcoming. This is a major blunder on the part of the minister. It is an answer which frankly should not have been given in the House.

She gave this answer, thereby suggesting that the reason this was not out in Canada was that she had not received a copy of the press release when she had been fully briefed and was fully aware of the matter. If she was not, if she did not know and did not ask the right questions, should she be Minister of National Defence?

She is engaged in a race not to be elected Leader of the Opposition or leader of a party. She is going to be elected Leader of the Progressive Conservative Party and will thereupon become Prime Minister of Canada. If she cannot run the Department of National Defence, she cannot run the Government of Canada. That is the problem.

We have a right to know what is going on in this case. We are right to raise this matter in this House and have debate on it. Frankly she should be saying something about what she said the other day. It is nice to have the government House leader here to make a speech defending her as he has to do in Question Period so often, but unfortunately he is not fully briefed on these matters.

We can see it from the bafflegab we were given on April 2. If he was not briefed then he was talking gobbledegook and was stonewalling. If he was briefed he was stonewalling completely and not even bothering with the gobbledegook. It was absolute nonsense that he was speaking. That is why we have raised this in this House and will continue to press the issue.

• (1730)

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am pleased to stand in the House to condemn the lack of leadership, evasion of accountability and responsibility, and the inadequate credibility of the Minister of National Defence that have exposed members of the Canadian forces on difficult and sensitive peacekeeping missions to unnecessary vulnerability. We on this side of the House believe that contributes to the gravity of national fiscal problems by persisting in the acquisition of enormously expensive equipment designed for missions no longer contemplated.

We believe the responsibility of government actions lies at the feet of the Minister of National Defence who is responsible for the management and direction of our troops.

On April 26 the minister announced an inquiry into incidents in Somalia under section 45 of the National Defence Act. The inquiry will centre principally on whether any of the concerns arising from the Canadian forces operation are the result of systemic problems, particularly in the Canadian Airborne Regiment.

On April 28 Admiral Anderson, chief of defence staff, announced the terms of reference and the members of the inquiry.

The board has the broad mandate of investigating the leadership, discipline, operations, actions and procedure of the Canadian Airborne Regiment battle group. It will also investigate aspects of the training, discipline, effectiveness and appropriateness of professional attitudes and values of the regiment.

The inquiry will not investigate the incidents under military police investigation. It will not examine the conduct of the minister in the incidents.

We on this side of the House have criticisms. The inquiry will centre unfairly on one regiment without looking into the over-all conduct of the Department of National Defence and the minister.

If the Minister of National Defence knew there had been four killings of Somalis by March 17, why did she wait five and a half weeks to announce her inquiry?

The inquiry's proceedings will not be public and it will only report at the end of July after, I might add, a Conservative Party leadership convention.

For the conclusions of the board of inquiry to have any significance, we on this side of the House demand the board investigate what the minister of defence knew and when she knew it.

Moreover we in the opposition party demand that the board of inquiry conduct its investigations in public so that Canadians know we are getting the full story. Nothing in the National Defence Act prohibits a public inquiry.

My colleague, the hon. member for Bonavista—Trinity—Conception, a retired admiral, a few days ago in the House said:

> I can understand that perhaps the minister does not want to address the details, but that does not avoid the major point, that the minister in her responsibility for the direction and management of the Canadian forces as a corollary of that is responsible for informing the Canadian public, the House of Commons and Parliament on the conduct of these operations. This was not done and perhaps would not have been done for some time unless the questions were raised by the Official Opposition in the House to cause the minister to return and attend to her job in a full-time manner so that the issues could be dealt with properly.

• (1735)

These comments were made by a man who spent a career in the armed services and achieved a very high rank during that period of time. Obviously he knows what he is talking about.

To leave the question of Somalia and move on to the question of defence in a more general manner, I find a general frustration with the policies of this government. It has been weakly articulated by the Minister of National Defence. The minister has seemingly failed to recognize the need to move forward and to develop a defence policy which addresses a post cold war era. The minister has said nothing in this regard during her lacklustre performance, I might add, as the Minister of National Defence.

There are several areas we on the opposition side of the House believe she should be looking at that have never been addressed by the government. Support for Canada's commitment to providing such things as the military structure for the United Nations peacekeeping, monitoring, verification and peace enforcement operations has never been addressed; a force structure to

contribute to NATO's capacity to provide support to the UN and possibly other regional organization's operations; peacekeeping training, supply and staging centres at Lahr, Germany, CFB Cornwallis, and possibly other Canadian sites; and adequate resources to fulfil NORAD obligations but with an eye to fundamental review in 1996.

On a national basis the Minister of National Defence has not looked to what we should be doing in our nation. Should we be developing a continued role in maritime and aerial surveillance and control, with a particular emphasis on enhancing northern and Arctic capabilities?

Should we be looking to improved co-ordination with civil authorities on the use of military resources for constabulary and disaster relief functions?

Should we be looking to increased visibility and a role for the reserves, including provision to allow for longer leaves of absence from work?

The Minister of National Defence owes Canadians answers to those questions. She should look at the proposals to see if they merit consideration for a defence policy at the national level.

I believe my time is almost up. I am standing in the House today speaking on behalf of a constituency that has expressed concern over the lack of action by the Minister of National Defence on the particular issue regarding Somalia. I am not speaking on behalf of myself. They are very concerned over the minister's lack of response.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Mr. Speaker, I too have the pleasure to take part in the debate today which has been going on since this morning on an opposition day and is focused on a motion tabled in the House of Commons by the Liberal Party which represents the Official Opposition.

We have had the opportunity to listen to hon. members from every political party about this Liberal Party's motion which, under the disguise and the pretent of holding a debate on the position of our Armed Forces in different parts of the world, and also under the disguise of discussing the purchase of defence equipment, is aimed particularly at casting or trying to cast the blame on the Minister of National Defence who is, as everybody knows, a candidate in the leadership race for our party.

• (1740)

The very wording and concept of this motion is of a totally partisan nature and is aimed exclusively and specifically at attacking and discrediting the Minister of National Defence both before this House and before the Canadian public. All the speeches that were made, particularly those of the Official Opposition members, were focused on that objective. It was clear that was the ultimate and crucial objective of the Official Opposition members.

For two or three weeks the opposition has been raising in this House issues on events that occurred in Somalia involving the Canadian military. It also has been raising concerns about the safety of our Armed Forces in Yugoslavia, particularly in Bosnia, under the auspices of the United Nations.

Of course I recognize that the opposition has the right to raise these issues, but it should be done in a totally non-partisan manner and with the sole purpose of expressing concerns about the running of our military operations under the United Nations in these two countries, Somalia and Bosnia. But it always has this political drive to attack particularly the Minister of Defence.

In the last few weeks we gave full and complete answers, without hiding anything to all the questions that were asked by opposition members. All questions that were asked received very clear answers, both from the Government House Leader and the Minister of Defence, and from the Minister of External Affairs and the Prime Minister.

In order to give even more details and to clarify further the situation in Somalia, earlier this week the Minister of Defence came to this House and read a statement outlining all the relevant details that could be given at this point on the situation in Somalia. Members will recall that following the investigations conducted by the Armed Forces in Somalia into the various events referred to, the minister informed the House that she was going to establish an inquiry commission with the mandate to report its findings to her or to the person who will be Minister of National Defence when the report is tabled. This commission will have to report its

findings to the government and to the House of Commons.

Of particular concern to me is the fact that the opposition is questioning the commission's integrity and ability to look thoroughly into the incidents in Somalia. Why question the integrity of the persons who will be part of this commission when the inquiry has not even begun?

Remember that the Minister of National Defence has indicated that civilian members will be named to the commission in order to make the process more open and so that the public can have a better access to information. The Minister of National Defence—and I stress this—has had to change the rules to allow civilians in an inquiry commission on military events.

The Minister of National Defence has nothing to apologize for. She did what was expected of her. She assumed her responsibility in a professional manner, adequately and as openly as possible. She made the facts surrounding the events that occurred in Somalia known as soon as she learned about them.

• (1745)

We must realize that the situation in Somalia for our Armed Forces in no way resembles any situation we might find on the streets of Canadian cities. Our service people in Somalia are working in extremely difficult conditions to which they must adapt in a country that is completely foreign to them, in an extremely volatile situation where, as we know very well, various groups and factions in Somalia have been at war for years now.

Our troops, our service people serving under the United Nations, of course, have gone to that country to try to bring food supplies to people who are dying of hunger in the remotest parts of Somalia. We noticed that the action in Mogadishu did not take very long, because Mogadishu is a big, well-organized city where it was easy for our service people to get set up and organized. Then they went out to more remote regions and places where people really needed their help.

What did our service people do in Somalia? They performed their assigned tasks professionally. They did so with all their experience and with all the attention and sensitivity they need in a country where the situation is volatile. We must realize that the slightest thoughtless action by our troops or their commanders in Somalia could have caused a great slaughter. It could have resulted in the death of thousands of Somalis and perhaps of many of our soldiers and service people as well. But with their experience and professionalism, they have done their job professionally so far, I repeat.

All day, and even all week, we have heard in the questions and comments of opposition members in the House allegations tending to discredit the work done by our service people in Somalia, and I find that hard to accept. Even if they say they are addressing the minister and the government not the troops, they are discussing painful events that occurred in Somalia under extremely difficult conditions, we must admit.

Since our troops have been in Somalia, with all they have done there, I think that the few deplorable events are not out of proportion. We must absolutely deplore it when people die, but we must realize that Somalia is a country at war. A civil war is going on in that country to which foreigners are sent to try to restore peace and at the same time send food to needy people.

I would ask the opposition members once and for all to consider the difficulties that our service people have to go through in Somalia and to think of their families here in Canada. I would ask them to have a little compassion and understanding for the work our people are doing in Somalia and for the hardship they now experience living apart from their families, because they are in hostile territory on an extremely delicate operation.

Mr. Speaker, that is why I tell you again that the motion presented by the Liberal Party today is aimed strictly at the Defence Minister. By attacking her, this motion cannot help but tarnish the reputation of our forces and we on the government side are prepared to stand up and defend our forces, our soldiers who are abroad, be it in Somalia or in the former Yugoslavia.

The Secretary of State for External Affairs will be travelling soon. She will visit our troops and again convey to them the support of the party in power and of the members on this side of the House, to encourage them to continue their work. Since the United Nations started sending peacekeeping troops in the world to maintain and restore peace, Canada has been there. Canada is always one of the first to be invited to participate in these peacekeeping operations by the UN, and it is to the credit of our Armed Forces. Today, I want to pay tribute to the Canadian Armed Forces and, on behalf of our

government and our party, encourage them in their efforts.

• (1750)

The motion of the Liberal Party also refers to the acquisition of enormously expensive equipment designed for missions no longer contemplated. Again, this motion shows the near-sightedness of the Liberals and how they overlook the reality. The reality is that our country is one of the largest in the world. It has a lot of coastline to protect and control, as well as the largest fishing zones in the world.

The Liberals, when they were in power, authorized the construction of frigates and it was agreed and known at that time that the implementation of this project would mean that the helicopters would have to be replaced, modernized or adapted to the new frigates. Without helicopters, these frigates are powerless and have a very limited scope of action. A captain at the helm of his ship has a very limited field of vision on the ocean. However, a military patrol in a helicopter with a range of hundreds of miles in the case of surveillance operations, whether linked to fishing zones, the drug trade, or search and rescue missions, literally becomes a radar and completes the work done by the frigate itself. This is why it is important to provide new equipment, new helicopters for our Armed Forces.

The decision was made to buy the EH-101. Why? First, let me say that this decision was not made lightly. My colleague, the member for Portneuf, who sits on the defence committee, told me this morning that this committee hears both military and civilian experts who come to discuss the new equipment required by our Armed Forces. I believe my colleague from Portneuf also said that the discussions on the new helicopters go back to 1988 or 1987. The Standing Committee on Defence, which is made up of members from the three parties, namely the two opposition parties and the government, took the time and made the necessary efforts to look at every alternative. My colleague from Portneuf also told me this morning that a report of that committee had been unanimously endorsed by the members of the three parties, including the members of the two opposition parties. Therefore, these members approved the type of helicopter that the Canadian forces are in the process of acquiring with the approval of Parliament and the Government of Canada.

I want to thank my colleague from Portneuf for providing me with a copy of this report published in November 1990, which is entitled: *Maritime Sovereignty*. On page 29 of the report, it states clearly that "The Committee recommends that the Sea King helicopters be replaced as planned and that this be done as soon as possible to avoid costly stop gap measures".

An hon. member: Unanimously.

Mr. Langlois: Unanimously.

Mr. Speaker, what do the Liberals recommend now?

An hon. member: Which date did you say?

Mr. Langlois: November 1990. I repeat for the hon. member that the report was tabled in November 1990.

What do the Liberals recommend now?

• (1755)

They recommend that we abandon the program and invest astronomical sums of money to repair our old Sea Kings and Labradors, which have done their time. These aircraft have been in service for 30 years or so. They have been repaired and re-equipped, and now they have done their time. If we were to do as the Liberals suggest and spend hurge amounts, in excess of $2.4 billion, to repair 30 years-old helicopters, by the time the work be completed, the youngest of these helicopters would be 47 years old and the oldest 57 years old. Mr. Speaker, I would like you to give me the name of one person who is still driving a 47-year-old car in this country. And that is with all four wheels on the ground! The normal life of a car is ten years. Would we be prepared to let our service men and women, whose job it is to make Canada secure, work in 47-year-old and even 57-year-old aircraft? That make no sense.

Another point that was not mentioned I think is that even if we were to refit our old helicopters, the Sea Kings and Labradors, we could not incorporate new technology. It is impossible to fit old aircraft with new defence and communications technology because the helicopters have to be designed to receive the electronic equipment used for navigation, communications and satellite links as well as all the latest sophisticated search and rescue and radar equipment.

When we sent troops to the Persian Gulf during the Gulf War, I remember some Canadian newspapers and some circles saying that our troops were leaving for the gulf in leaky boats. Our troops will be equipped with brand new frigates, just starting to come out of the shipyards. Would we put helicopters that are not intended for those frigates on them? After considering all the facts for many years, the government came to the logical conclusion that the EH–101 helicopter was the best option.

I would like to take the few moments I have left to touch on the economic benefits that the helicopter acquisition program will have for Canada, and particularly for Quebec, because that interests me as a member from Quebec. I have heard the Liberals on the other side and my hon. friend from the Montreal area complain constantly for a year and a half about the Montreal economy being in decline. My colleague knows who I am talking about. What is happening is that 30 per cent of the industrial benefits of this helicopter acquisition program will accrue to Quebec and companies such as CAE Electronics Ltd., a dynamic business which is not in my riding but in the Montreal area, specifically in the riding of the hon. member for Saint–Léonard. So that will create jobs. CAE Electronics, Paramax Electronics Inc. and Canadian Marconi will enjoy industrial benefits flowing from the helicopter acquisition program for years to come. My colleague from Saint–Léonard will no doubt agree and he should be thrilled as I am about the economic benefits of the program not only for the Canadian economy but also for the economy of Quebec.

[*English*]

The Acting Speaker (Mr. James): It being six o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 81(17) proceedings on the motion have expired.

Pursuant to Standing Order 30(7), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADIAN BILL OF RIGHTS

MEASURE TO AMEND

Mr. John E. Cole (York—Simcoe) moved that Bill C–395, an act to amend the Canadian Bill of Rights (right to property), be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Mr. Speaker, I want to say how pleased I am to be able to stand here today and talk to this particular bill. I want to thank my seconder, the member for Peterborough, for supporting me on this particular bill.

There have been a number of other individuals, such as the member from Markham, the member for Durham, and the member for Red Deer who seconded it originally who have all been very supportive of this bill.

When we look at a bill that relates to property and the right to own property I think most of us think this bill should properly be in the Constitution. I was one of those people who was disappointed that in all the discussions that took place recently throughout this country the right to property did not become part of the Canadian Constitution. I was also disappointed about other things that took place in that debate and discussion and that we were not able to make some changes.

When it was initially suggested that property rights be put into the Constitution I thought that was a good idea. I felt it was important for the Canadian public. When that suggestion came before my York—Simcoe constitutional committee which was studying the proposals it had some difficulty with it. It was made up of a cross–section of 20 to 25 people from my riding who really felt that the protection of property and property rights should properly be in the domain of elected officials.

They felt the elected officials should be responsible for making a decision. If the public were not satisfied with that decision then in the normal process of elections the public would have the opportunity to remove them or

express their displeasure at their situation or the actions they took.

I recognized that and I agreed after some discussion with my constituents, with this group of people, and I did not pursue it any further at that time.

As a result, and things have changed considerably in this country as it relates to the Constitution, I started looking into a particular situation that has arisen in my riding and looked at the history of property rights and their importance in Canadian history and the very evolution of this country.

The historical precedents in favour of property rights are really overwhelming. Philosophically, societies were initially created to collectively protect this right.

When I as an individual cannot protect myself society will do it for me and in return I will respect and protect other member's rights to property.

The right to property could be traced back to the Magna Charta of 1215. This document did not originate the right to property. It merely recognized its existence as an inherent sacred right. The Magna Charta, through its recognition of the inherent right to property, its specific rules for compensation and its commitment to protect this right at all costs, enabled all people to build a better society.

Our Constitution fails to protect property rights. The Canadian Bill of Rights, which affirms the right to property, fails to provide a method for compensation. We as a society are obliged to not only respect this right but to ensure that it is secure.

Security of this basic right is vital for a prosperous society. The right to property provides a sense of purpose and confidence. Protecting the ability to own what we make, work for or purchase is at the very heart of our market system. It drives the economy and helps it grow.

• (1805)

For those unable to hold intellectual properties such as patents and copyrights, owning a house, farm or piece of property allows and encourages individual Canadians to live their lives independent of the state.

Societies which deny this right do not prosper. They do not have the freedom to enjoy the fruits of their endeavours. Inevitably, as we have witnessed in the Soviet Union and other eastern bloc countries, if the state controls what should be owned, operated and enjoyed by the people the whole economic and political system will collapse. Citizens will fight to keep the right they entrust society to protect.

Therefore not only is its protection paramount but procedures for compensation and dispute settlement must be clear to Canadians for their innate sense of security to avoid financial ruin just to protect this right.

We must continue the traditional respect for these rights which Canada affirmed internationally when it signed the United Nations Universal Declaration of Human Rights in 1948. It states that everyone has the right to own property alone as well as in association with others and that no one shall be arbitrarily deprived of this property. But it does not go far enough. Other countries strongly protect the right to property, recognizing it is essential for a free and democratic society.

We are all aware of the fifth amendment of the United States Constitution which protects property, life, liberty and the pursuit of happiness. Nor can property be taken away without providing just compensation. The important point here is that the fifth amendment provides compensation should it be deemed in the public good to infringe or deny the right to property.

Italy, Germany, Denmark, Finland, Sweden and many other western democracies realized the need to compensate for property loss. The Canadian Bill of Rights affirms the right of the individual to the enjoyment of property and the right not to be deprived of it except through due process of law, yet there is no mention of just compensation.

The absence of procedures for settlement of disputes when the right to property is infringed upon renders this right meaningless. A right without means for compensation allows for that right to be removed, even through the due process of law, without any system to repay affected groups or individuals for the property loss.

At present my right, which existed long before the Constitutions which should protect it, must be defended in court at my cost as an individual. The burden of cost and proof should, in my view, rest on the level of government not on the individual property owner. It is only just that the society which has been charged with

protecting this right must prove itself legitimate when it proposes to limit or deny this right.

Did you know, Mr. Speaker, that if I do not challenge the infringement of my right to property, if I do not have the financial wherewithal to take part in that legal process there is no guarantee that a government must compensate me fairly for my loss? This is a travesty and a mockery of a most sacred right.

I am certain that most Canadians would find it appalling that their right to property really holds no true strength. Without any dispute settlement or rules for compensation during an infringement of this right it is really nothing more than a motherhood statement protected at the whim of a particular government.

Those who are going to have the most difficulty defending this particular right, the individuals who do not have the capital to go to court, are the people who are going to be most affected by this type of legislation if we do not make these changes properly and do it now.

• (1810)

This came up most recently in my riding over a landfill issue where the provincial government quite frankly is making a land grab to build a huge mega-dump to service the needs of metropolitan Toronto. It has set the rules for compensation. It has set the guidelines. It has said to the people: "Here is how we are going to do it. Here is how we are going to make the compensation and you are going to have to live with it because we are the government and we have set up this process. We have set up this group called the IWA and it is going to set the rules for compensation".

Are those rules going to be fair? I talked to the farmers who are involved and they are not very happy with the rules that have been brought down by this particular government.

On the other hand, they are not going to be satisfied. We are suggesting that they have a right to own this property, but they are going to have to mortgage their farms and their families' future simply to hire lawyers to take on the provincial government in this particular case. That does not make a lot of sense to me if we accept that individuals have the right to own their properties.

On the other side of my riding in New Tecumseh we have a similar situation as it relates to a hydro corridor. Again the people who are going to be affected are going to have to go to court to get fair and proper compensation and they are going to have to pay the bill. They are going to have to mortgage their lands and properties. That does not make much sense to me. That is their right. They have worked for that land. I do not think we should be taking it away from them without giving them proper compensation.

It is not just the provincial Government of Ontario. A few years ago the federal government confiscated 25 per cent of the land assets north of the 60th parallel. There are probably some members in this House who remember that. It handed it all over to the state-run Petro-Canada company at that time. There was no compensation offered or given.

Guaranteeing compensation gives the citizens the bargaining power against arbitrary laws that may deny their property rights. I think there would be a totally different situation in my riding and other ridings affected right now if the government of the day knew that an individual who was going to be affected would have the right to go to the Supreme Court and get fair compensation.

It is clear that no right, including the right to property, has absolute priority over all other rights at all times. I am not suggesting that for a moment. It is important in light of this to ensure that any infringement on property rights is not arbitrary.

When the government has proved to the court that a law infringing on my right to enjoy property is legitimate, then I must be allowed to apply for compensation to the Federal Court so I can replace, at least to some degree, the loss of this right.

These amendments to the Canadian Bill of Rights will provide a mechanism for Canadians to apply for compensation to the Federal Court if their property rights have been infringed upon or denied. This is something that is not offered to Canadians now.

Section 122 relieves the individual of financial burden and the personal hardship that may occur when attempting to prove a law infringes on their right to enjoy property. The new sections that I have proposed to the Canadian Bill of Rights recognize the most basic principle of property rights. The right belongs to each individu-

al citizen of Canada. It is theirs inherently. No further claim to it needs to be made.

Canadians should therefore not be placed in a position of having to defend this right from attack. It is the government who must be responsible for proving its law does not infringe on a property right or that the legislation is a reasonable limit upon personal rights and freedoms justifiable in a free and democratic society.

By providing specific procedures for compensation and requiring governments to prove a law does not infringe or deny a right to enjoy property, a proper balance is reached between the property rights of the individual and the legitimate needs of the state.

• (1815)

Any arbitrary nationalization or expropriation of property by the government would be deterred. Any unilateral decision would have to be justified, not by the individual as is presently the law but by the government wishing to expropriate and infringe upon those rights.

I will just conclude by saying that Canadians' rights must be more properly protected from the imposition and unilateral authority imposed by a government maybe to meet a political agenda or a political position without due regard or fairness for the individual affected.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I would like to speak generally in favour of what we are dealing with today.

Back in 1215 when you and I were just boys, Mr. Speaker, a group of English barons got together and presented King John with a list of demands. It was the Magna Charta, one of the most important constitutional documents in the British Isles.

Chapter 19 of the Magna Charta stated that no man or woman of course shall be deprived of their property except by the legal judgment of their peers or the law of the land. That was the first historic statement of property rights and the right to due process. It is part of the common law of Canada today.

The common law can, however, be superseded by a statute at any time. For example, the government of the relevant jurisdiction could pass a law requiring that all houses over 100 years old be surrendered to the state and no compensation be paid. If you owned one of those houses you would have no recourse under the Magna Charta.

Property rights are protected in the Diefenbaker Bill of Rights. However, that Bill of Rights applies in theory only to federal statutes and has to my knowledge been applied in very few cases, most notably that of Regina *v.* Drybones. Areas within provincial jurisdiction such as property and civil rights are clearly not protected.

There is a rule of statutory interpretation which says that when property is taken under statute, the statute in issue is to be read as implicitly requiring that compensation be paid to the private owner. This is only a rule of statutory interpretation. Any valid statute can expressly say that no compensation is payable when property is taken. The situation was eloquently stated by Justice Riddell of the Ontario Court of Appeal in a 1909 decision: "The prohibition, thou shalt not steal, has no legal force upon the sovereign body".

Our Charter of Rights and Freedoms which is the fundamental expression of Canadian law guarantees the right of everyone to life, liberty and the security of the person. The charter does not contain the right to hold property. The contemporary version of our fundamental law lacks the provision which free men and women have considered of primary importance since time immemorial.

The admission of the right to enjoy property means that there is no guarantee of compensation if property is taken by the government, no guarantee of due process or fundamental justice and no guarantee of fair treatment by the officials with power over the economic interests of individuals or corporations.

While the right to property is expressed in various other places in our law, it is nowhere to be found in the Constitution. Section 26 of the charter recognizes that there may be rights other than those articulated in it. However, if a right is not in the charter not only does it not have the same force and legitimacy as say, the right to life, liberty and security of the person, but someone who feels wronged cannot use the enforcement section of the charter which says that laws inconsistent with it are of no force or effect.

I believe we should entrench the right to property in our Constitution. I would refer anybody who is interested to the excellent and sound brief prepared by the Canadian Real Estate Association in preparation for the

renewed Canada. It was heard in November and December 1991.

The right to hold and enjoy property provides one of the checks against undue concentration of power in government at any level. When the Americans drew up their constitution, the right of every individual to acquire and enjoy property was included. It was felt that this would give the ordinary citizen both the independence and responsibility necessary to the success of government of, by and for the people.

One way to demonstrate the significance of the right to enjoy property is to compare countries in which it does exist to those in which it does not exist and is considered to be anathema to the prevailing political philosophy.

• (1820)

In countries where such rights are weak or non-existent, the arbitrary power and special privileges of the elite increase and the power of the common man and woman is diminished.

Without the protection of due process, the ordinary citizen is powerless in the face of the state that exists only to perpetuate and strengthen itself and/or its elites. For example, in the former Soviet Union the individual could never say to the state or its officers: "This is mine, you cannot take it away from me". Due process and fundamental justice are but dreams to residents of the former Soviet Union.

Even in countries where the right to hold property is well accepted and understood there are of course limits on that right. Sometimes the needs of society as a whole prevail over the needs of one individual. Even if it is necessary for an individual to surrender property under the charter, that property could not be taken except in accordance with the principles of fundamental justice.

Section 7 of the charter, where the right to property should be included, makes that requirement. Furthermore, all statutes must be measured against section 1 of the charter which recognizes only those limits on the rights guaranteed in the charter as are demonstrably justified in a free democratic society. It is the courts that decide the balance between the private and public rights.

It is important to have a check on unlimited property rights if only because so many things can be included in the concept of "property". Property can be said to include not only land and real estate but also the fruits of one's labour, financial return, saving investments, tools of one's land, and the facilities to make these possible. There are cases in the United States where property has been held to include government benefits.

One expressed concern is that the entrenchment of property rights in the charter would undermine matrimonial property legislation providing for the division of family assets and marriage breakdown. For the most part of course it is women who struggled hard to have this type of legislation enacted, particularly that which recognizes the economic contribution of the homemaker to the family.

I believe it is in response to the inevitable challenges of division of property legislation that section 1 will come into play.

There is a firm commitment in the courts and legislatures of this country, thank goodness, to the equitable division of property in the breaking up of marriage. To use the United States as an example once more, in that country their constitution has not precluded their assemblies from enacting legislation empowering the courts to divide and compel transfer of assets on the dissolution of marriage.

That authority is considered part of the state's concern for the protection of its citizens because family assets are only divided after a full judicial hearing, that is if the parties cannot agree to what the division should be. There is a full compliance with the due process provision of the American Constitution.

I believe our courts would consider matrimonial property legislation to be a reasonable limit demonstrably justified in a free and democratic society.

It is vital to the health of our country in my view that the right to enjoy property be entrenched in the Constitution. What is needed is an amendment to our Constitution. As we know, the amending formula requires the House of Commons and the Senate to approve an amendment plus the legislatures of seven provinces consisting of at least 50 per cent of Canada's population. This means that at least either Quebec or Ontario must

approve such an amendment as we are talking about today as well as six other provinces.

As of several years ago, only B.C. and New Brunswick had expressed a firm commitment to the entrenchment of property rights. But I would remind members that the present Prime Minister in a letter to David Humphreys of the Canadian Real Estate Association stated: "I want to assure Canadians of my government's full support for the inclusion of property rights as an item for discussion at the next round of constitutional discussion with the provinces".

Finally, and this is where all of us come in, the legislatures must all become convinced that the Canadian people want property rights reasonably protected in the Constitution. Without a push from Canadians generally, this issue can never really go anywhere beyond the talk we are having here today.

If we believe in it we should talk to MPs, MLAs, MPPs or MNAs. We should convince them of a need for action along the lines of the motion we are discussing today. I would salute again the member for bringing this matter before Parliament.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to join in the debate tonight on the motion of the hon. member for York—Simcoe, Bill C-395, an act to amend the Canadian Bill of Rights (right to property).

I want to say at the outset that I do not support the bill and I will outline those reasons in a moment. I think it is important. I apologize in advance if I did not quite catch all the member's speech. I do not think that he read into the record the elements of the motion. People who are reading the transcript of this or watching either now or on the repeats would like to know exactly what it is we are debating. It reads:

• (1825)

> Whereas a garbage dump imposed upon a community by government to resolve another city's problem will negatively affect the right of citizens to enjoy their property and farm their land;
>
> Whereas the right of property is the foundation of society;
>
> Whereas its protection is one of the obligations of government and its security is necessary for the existence of civil liberty and free institutions;
>
> And whereas a law is considered a deprivation of the right of property if it deprives owners of one of the essential attributes of property, destroys or impairs its value, restricts or interrupts its common, necessary or profitable use, hampers owners in the application of it to the purpose of trade or imposes conditions upon the right to hold or use it and thereby seriously impairs its value;

The bill goes on to detail it, but that is sort of the *raison d'être* the member has offered. I can understand from previous comments he has made in the House his concern over the possibility of a garbage dump being located within his constituency as a result of a due process that has been entered into by the Government of Ontario. I can understand his concern. It is fair enough. I do not dispute that.

However, to suggest that a solution is to place in the Bill of Rights a right to property that will in effect make permanent the old belief about a man's home being his castle, that he can do whatever he bloody well pleases within his boundaries, I do not think is acceptable. I can cite a number of occasions where there are real valid reasons why individuals should not be able to do what they feel is appropriate on their property.

I will give an example. In a flood plain, a watercourse is coming through your four or five acre parcel of land and you decide to fill it in. It is your right under this bill. So what if it blocks the flow of water, so what if it disrupts the flood plain and the management of that by the conservation authority creating flooding on your neighbour's property down the road or downstream? Another example is the right to burn leaves on your property. It is your leaves, your property, your matches. That is the ultimate result of a resolution like this one.

Had the member come forward with a bill to change the Bill of Rights to say that every Canadian has a right to a job, that every Canadian has a right to be able to afford to own his or her own home and that every Canadian has a right to education, those would have been highly appropriate goals and highly appropriate things to place in a bill of rights. However, to say that a man's home is his castle and he has the right to do whatever he pleases is not acceptable.

It is also erroneous to suggest there are no protections for individuals who, I guess in the legal sense, have the right of fee simple to occupy land. There are protections. I have gone to bat for people who have had land expropriated by the province of Ontario for public purposes such as the expansion of a highway.

The process is twofold. One is whether or not they need the land and they, the public authority, have to prove they need the land. Second is the question of fair value. There are processes built in, at least in the province of Ontario—and I cannot speak for any other provinces—that when land is expropriated and if you can prove in terms of market value what other properties in the general area have gone for, you will get that fair amount. You will not necessarily get what you think it is worth, but you will get what the benchmark says it is worth, what other properties have sold for at that point in time. So there is a process out there.

We also have to recognize that governments, regardless of stripe, have not gone on a wholesale expropriation of land anywhere in the country. There are probably two exceptions: one was the decision to create the Pickering airport and the land grab there. There is no question that it was an abuse of the powers of the federal government to take action like that and not follow through, displacing the farm community and creating a real dislocation of a lot of people. That was a misuse of power, there is no question about it. I do not think this kind of amendment would in any way change that from occurring.

As for the other one, this member's government is currently doing it. It is called vesting at Canadian airports. I wonder if the member is aware that the Department of Transport, on the instructions of Treasury Board, has applied the policy of vesting so that any tenant on federal airport land, meaning somebody who has a building or has improvements, is required to give up that building at the end of their lease with no compensation whatsoever and no due process. They can extend their life there if they reinvest in it. I am overly simplifying the process but that exists today. Treasury Board has been unwilling to move beyond that policy. It has been a bit flexible, in terms of transport, of working through the rules so that it is less onerous but it still comes down to expropriation without compensation.

There is an area in which the member can do some good work to try to bring some justice to that. We do not need a hard and fast rule in the Canadian Bill of Rights that says property cannot be touched. We have to recognize that there are times when the public good is paramount, whether it is with regard to environmental laws, labour laws or just social justice.

In the preamble of the bill it says:

> —a law is considered a deprivation of the right of property if it deprives owners of one of the essential attributes of property, destroys or impairs its value, restricts or interrupts its common, necessary or profitable use, hampers owners in the application of if it to the purpose of trade—

I might want to turn my lot into an automobile junk yard. Under this bill, any rules that prevent me from doing so would be a restriction on the profitability I could make from the land, a restriction on trade. Conversely, we have seen this NIMBY approach, not in my backyard, in community after community.

After years we recognized that putting people with special needs in large institutions did not work. As we evolved from large group homes in isolated areas of our community to smaller group homes that were integrated within our community we have heard people in neighbourhood after neighbourhood say: "Not in my backyard, not in my neighbourhood; we do not want those people with special needs; it will lower our property values; it will make our ability to turn a profit on this piece of land and house impossible". That is why I cannot support a bill like this. The ramifications go way beyond anything that I think this member was anticipating when he put forward this bill. There is no way in good conscience that I could provide the Bill of Rights with that kind of power.

The Acting Speaker (Mr. James): There being no further members rising for debate, the time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being 6:34 p.m., the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

The House adjourned at 6.34 p.m.

HOUSE OF COMMONS

Friday, April 30, 1993

The House met at 10 a.m.

Prayers

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, I think that you will find consent for the following motion:

[*English*]

That notwithstanding any Standing Order, at the completion of the debate on second reading of Bill C-117, but no later than 3 p.m. today, the Speaker shall put all questions necessary to dispose of the remaining stages of Bill C-117, including Committee of the Whole, without further debate or amendment, to complete consideration of this bill today provided that if a recorded division is requested, it shall stand deferred until Monday, May 3, 1993 at 6 p.m. pursuant to Standing Order 45(6), at which time the remaining proceedings on the bill shall be completed.

That, one additional opposition day shall be allotted for the Business of Supply for the period ending June 23, 1993.

[*Translation*]

Mr. Gagliano: Madam Speaker, in a spirit of co-operation and for the sake of the smooth operation of this place we give our consent to this motion.

[*English*]

Mr. Blaikie: Madam Speaker, in trying to put it more eloquently than the member for Thunder Bay—Atikokan, we agree.

Madam Deputy Speaker: I understand there is unanimous consent for the motion.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1993-94

MEASURE TO ENACT

The House resumed from Friday, March 26, consideration of the motion of Mr. Mazankowski that Bill C-117, an act to provide borrowing authority for the fiscal year beginning on April 1, 1993, be read the second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I want to use the remaining minutes I have in this debate in a general way to talk about my home province, Saskatchewan.

• (1010)

The New Democratic Party is often getting hit with the label of not knowing how to manage an economy; that it cannot take care of business. In fact I remember back in 1982 when there was the Allan Blakeney New Democratic government in Saskatchewan. At that time the Tory leader, Grant Devine, said that we could afford to totally mismanage Saskatchewan and still break even.

After 10 years we find that the province is some $15 billion in the hole with something like 400,000 taxpayers. It is a monumental problem. This is by a Tory government that knows how to manage an economy. It has put Saskatchewan so far in the hole that it is going to take many decades for us to recover. It has been left to a New Democratic government to correct that error.

I think that the people of Saskatchewan, if you look at the history, are in good hands. I believe it was Diane Francis or one of the right wing columnists who wrote that back in 1981 the Allan Blakeney government was the best-managed government not just in Canada but in North America. That was from a right wing journalist. The record shows that.

Back in 1944 when Tommy Douglas took over Saskatchewan, the province could not borrow money. Tommy Douglas came in and built Saskatchewan to where we were in 1982. Talking about fiscal responsibility, Tommy Douglas wanted to introduce medicare but waited some 17 years until the province could afford to do it. In those days the province did it on its own but it was not done until it could afford to do it.

The New Democratic governments in Saskatchewan certainly come from a background of being sound managers of the economy, very conscious of the economy. It actually galls me that people on the other side of the House and elsewhere say that New Democrats cannot manage an economy.

The Romanow government, faced with a huge debt which makes the national debt pale in comparison on a per capita basis, came in with a budget. In the last year of the Devine regime there was something like a $1 billion deficit. In the first year the Romanow government cut that deficit in half to $500 million. It is cutting the deficit in half this year to $300 million. It will have a balanced budget within three years.

That is already a better record than the federal Tory government has had. I have been in the House for the last five years. Every year I hear the same budget speech that this year our deficit is $32 billion, $34 billion, or $35 billion but next year it is going to be $29 billion and the year after it is going to be $15 billion. I think it was the former Minister of Finance, the hon. member for Etobicoke Centre, who said three or four years ago in the House that this year we were going to have a deficit of $8 billion. What do we have? We have what I believe is the largest deficit in the history of the country, $35.5 billion.

Mr. McDermid: Check back to 1984. It's not the largest.

Mr. Laporte: It was not $35.5 billion? The minister announced $35.5 billion. The $35.5 billion deficit, whether it is the largest or the second largest, is not something to be proud of.

Saskatchewan has a government that is cutting the debt not on the backs of ordinary Canadians but with a mind to keeping existing social programs. It is cutting that deficit with a view to causing the least harm to those who can least afford to have harm inflicted upon them.

The approach taken by the Saskatchewan government is different from the one this government has taken. This government has used blackmail. It has used blackmail in the area of the Western Grain Transportation Act, the Crow benefit. What has it done? In 1983 the Liberals took away the Crow rate and put in the Crow benefit. That payment was going to be in perpetuity. To me, perpetuity means a long time and not 10 years.

• (1015)

Last December we lost 10 per cent of the Crow benefit for two years. This year in the budget the finance minister said that we are going to take away in two years 15 per cent of the Crow benefit and after that we are going to take away 20 per cent of the Crow benefit and it is going to remain that way.

However, and this is where the blackmail comes in, the finance minister said if they agree to pay the producer the government will give them back that 10 per cent. That is negotiating with a gun to one's head. The Crow benefit and the Canadian Wheat Board are two of the most fundamental mainstays of agriculture in western Canada today, and this government is tearing them apart.

At the agriculture committee yesterday we were discussing the removal of barley from the Canadian Wheat Board under a continental market dual system. Government members refused to allow representatives of the Canadian Wheat Board to appear in front of the committee. I cannot believe it. They were scheduled to appear, they were on the list but the government said no.

If we were going to dismantle Air Canada we would surely have the chairman of Air Canada in front of the appropriate committee, but the government said no to the Canadian Wheat Board.

What is even more outrageous is that the advisory committee to the Canadian Wheat Board is not going to be allowed to appear in front of the committee either. The advisory committee is a committee made up of farmers who are elected by farmers to advise the Canadian Wheat Board. It is the only elected body in the country that represents farmers with respect to Canadian Wheat Board issues. It is being denied access to appear before the committee.

We are going to have one more committee meeting on this issue. Who are we going to have? They took away the Canadian Wheat Board and they are going to bring

in UGG, United Grain Growers. This is a company that agrees whole-heartedly with the government's position.

Who else have we had in front of the committee? We had the Western Barley Growers Association. It is an association that has 214 members and receives 90 per cent of its funding from the government. That is a really unbiased group to bring before the committee. At the same time we are disallowing the Canadian Wheat Board and the advisory committee to the Canadian Wheat Board from appearing before us.

The other thing on this issue is that there have been a number of studies come out but the government has ignored them except for the ones that agree with its position. This is the kind of government that has been inflicted upon us in this country.

If that is called co-operation, if that is called trying to find a consensus, then it is looking at a different dictionary than I look at because nothing is further from the truth. They are heavy-handed tactics.

They are exactly what the finance minister used in his budget address a few days ago by telling people in western Canada that they are going to lose 10 per cent of their Crow benefit, that $72 million is going to be gone unless they do things the government's way, unless they play ball with it.

That is not going to go down very well in Saskatchewan. I can tell the government right now it is going to have an issue on its hands, certainly in the province of Saskatchewan, because I do not think the producers of Saskatchewan are going to buy that.

There was a poll commissioned by the Government of Saskatchewan that showed 88 per cent of the producers in Saskatchewan want to at least have a vote. That has been our position.

Talk about openness, talk about a consensus. Surely to goodness allowing the producers, the members of the Canadian Wheat Board, to have a vote on what should happen to their Wheat Board is only fair.

It is unbelievable that a government can talk about consensus and openness and at the same time come down with the heavy fist and iron glove on the people in the prairies. That is exactly what this government is doing.

The government side is saying we are having a plebiscite because the producer will decide whether he wants to deliver to the Canadian Wheat Board or to the open market.

• (1020)

That is nonsense. What we have under the Canadian Wheat Board is a pooling system so that when people deliver to the Wheat Board they get the average price that was received by the Canadian Wheat Board during the whole year. Studies done in areas where they tried dual marketing systems show that the pooling system will fade away, it will fail. That is because during times when prices are higher, if the spot price is higher in the U.S., the Canadian Wheat Board will not receive any grain. If the price is low the grain will come to the Canadian Wheat Board. The only time the Wheat Board will have grain is when the price is very low.

To say that is a plebiscite is nonsense. The other factor is that in the government's so-called thorough study of this issue it has not done any study of the effects of the Canadian Wheat Board in a dual marketing system and the impact on the Canadian Wheat Board. That has not been studied.

The same holds true for the Western Grain Transportation Act. For the finance minister to stand up in this House and blackmail producers in western Canada is outrageous.

The other point is that the grain transportation system in this country is responsible for thousands of jobs, probably tens of thousands of jobs, and hundreds of millions of dollars to the Canadian economy. If we do not produce a strong Canadian transportation system we are going to lose those jobs in the ports and rail crews and in rural Saskatchewan.

Hon. Charles Mayer (Minister of Agriculture): Madam Speaker, I listened with great interest to my hon. friend pontificate on the wonderful job the Saskatchewan government has done in cutting spending. I would like to ask him a question directly. Since he is so impressed with the spending cuts of the Saskatchewan government, including closing hospitals and so on, doing what it feels must be done, why have he and his party voted against every single spending cut proposed by the federal government in trying to get its deficit under control?

Mr. Laporte: Madam Speaker, the answer lies in the way that governments are cutting. It is true that these days as a social democratic party it is very difficult to implement many of the things that we as social democrats would like to see implemented and maintained. It has been very difficult. Certainly when the government in Saskatchewan is having to cut back in the areas of social welfare, health care and so on it is hard to do. However that is the reality we face.

The minister will know better than I that there is a big difference between a province managing its economy and the federal government doing so. The federal government has many more economic levers than a provincial government. The interest rate is controlled by the federal government. There are a number of levers the federal government has at its disposal which a provincial government does not.

The Saskatchewan government and many other provincial governments find themselves on a precipice. We have had transfer payments to the provinces cut back at an unprecedented rate. Thank goodness there were no transfer cuts this time. That is very much appreciated. However the minister will know that Saskatchewan does not have the economic levers the federal government does. We also do not have the room to manoeuvre in Saskatchewan that this government does. We have something like a $15 billion debt. We have interest rates in Saskatchewan of over $800 million a year and there are something like 400,000 taxpayers. The province only has 950,000 people in it.

It is a very tight situation. What the finance minister, Janice MacKinnon, has done in Saskatchewan, and I know the minister agrees, is to say that if we do not make cuts now we are going to lose our social programs. It is also true on the federal side. We have to get the deficit down federally. This government has been tinkering at the edges. We have had a deficit of over $30 billion every year since this government has been in place. I agree we have to make cuts. We have to lower the deficit, but we have to do it in a way that will benefit all of us and not hurt those who can least afford it.

• (1025)

That is the attitude the Saskatchewan government is taking. That is the attitude this government should be taking. There are other areas where this government could be cutting: the $6 billion helicopter purchase that will take place.

Mr. McDermid: Is it $6 billion? It keeps going up.

Mr. Laporte: I believe with inflation it is going to be $6 billion or $5.8 billion. The government is saying that it can either repair the helicopters or buy new ones. It has that choice. The government is buying 50 helicopters. It is not saying that it could buy those helicopters without the anti-submarine equipment on them. I do not know the exact figures but that alone would save billions of dollars. Some 35 of those helicopters are going to be able to chase submarines attacking this continent. The old Soviet subs are rusting in port. It should send over a tourist to take a photograph of them so that it would know where they all are instead of spending that kind of money on anti-submarine equipment.

That is an area where the government could cut. That is an area where it would get support from this caucus. If it came in with a plan showing that it would keep helicopters for search and rescue, that would be great. However I do not think we need the extra equipment, the sophisticate computers and so on that are designed to attack submarines. There is a whole host of added equipment on them. I have seen the figures. I forget exactly what they are but the cost of the helicopters could be cut considerably. If something like that was brought in the government would certainly get the support of this caucus and of this member.

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I would love to get into a debate on the helicopter situation with my friend. We are talking of an expenditure over 13 years. We are talking about job creation in Canada in a high-tech industry.

That particular party, the New Democratic Party, wants us to take money and throw it at short-term jobs, at three-month and six-month make work projects, not the meaningful employment, not the high-tech employment the helicopter purchase will provide. That has to be taken into consideration. If we cut there then the member can tell the aeronautic workers who are union members.

I believe their leadership supports his party. I do not believe the workers do but the leadership does. He can tell them that this is going to be cancelled and we will not have these helicopters. He can tell fishermen that we will not have helicopters that are able to go out in storms when they are needed out there. The helicopters we now

have cannot do that. The new helicopters will have a longer flying time: five hours compared to three hours now. They can fly in all kinds of weather. He can tell them that the sophisticated tracking equipment will not be put on them so they can find lost fishermen or people in trouble off our coast. He should tell them all these things and then we will see where the New Democratic Party stands.

Right now its members are saying: spend here, spend here and spend here on short-term work; not meaningful jobs, not full-time jobs, but in fact make work projects. At the same time they want us to cancel a project that will provide 48,000 person-years of work in the high-tech industry.

Mr. Laporte: Madam Speaker, the minister has skewed my remarks. I have said very clearly we need a search and rescue factor in our armed forces. That is for sure. I have not denied that.

I am talking about the anti-submarine equipment. I do not think we need that unless we plan to shoot down American fishing boats. I do not think it is required.

The minister asks who is going to protect fishermen. There will be no fishermen out there because this government has allowed the fish to be removed from the sea. Newfoundland has 5 per cent of the fish it used to have. The cod fishery has been destroyed by this government, a government that is supposed to manage the economy.

Since being elected I have received representations from the maritimes, from Newfoundland, saying that the way they are fishing will destroy the fishery. That is a fact.

• (1030)

Mr. McDermid: Here is one of the prairie boys from Saskatchewan who thinks he knows all about fishing.

Mr. Laporte: I do not know an awful lot about fishing but I have had my ears opened since I have been here. The fishermen have been telling this government that it is going to destroy the fishery. By God, it has destroyed the fishery. That came true. We do not need helicopters off the coast of Newfoundland to protect fishermen because the government has already solved that problem. No fishermen will be fishing out there because there is nothing to fish, unless they want to sightsee and maybe look at the icebergs.

That is what this government has done. That is called economic management by the Tory government.

Mr. Stan Darling (Parry Sound—Muskoka): Madam Speaker, I am pleased to speak briefly on the responsible and far-sighted budget tabled this past Monday by the hon. Minister of Finance. Regardless of what those on the opposition benches say or would have the Canadian people believe, this budget aims to build on efforts outlined in the 1992 budget and the December 1992 economic statement. In the case of all three the objective is to position the Canadian economy for more growth in job creation by steadily reducing the burden of deficits and debt.

Since the budget was tabled many media critics have gone into high gear, producing a stream of so-called in-depth analyses of why the budget has failed the Canadian people. I figure this is fair game, for that is how the scribes earn their living.

However I find it galling to hear criticisms from the back benches of the Liberal Party. To me those in the Liberal caucus are unwittingly admitting that their memories are as lacking in substance as their alternative economic policies for dealing with Canada's fiscal problems.

To refresh those blocked memories let me say that it was the shortsighted, irresponsible policies of successive Liberal governments from 1968 to 1984 that provided fuel for the present fiscal crisis which threatens to burn away Canada's tomorrows.

Beyond a doubt it has not been an easy road for our government to travel in an effort to grapple with an inherited deficit that stood at more than $38 billion in 1984, the year we took office. Dealing with the problem has been far more difficult and complex than any of us could have imagined.

Many Canadians have not been particularly receptive to the brand of medicine we have been prescribing since 1984. However we have persevered and taken the slings and arrows of adverse public opinion in stride.

I believe some comparisons or results speak well of our approach to date. For example, during the recession of 1981–82 under a Liberal government the national debt increased by a phenomenal 160 per cent. During the recession we are now coming out of, the debt increased by only 19 per cent under our government.

In 1984 the deficit was 8 per cent of our Gross Domestic Product. Today the deficit has been cut to 4 per cent of the GDP. The increase in the national debt presently is not because of unbridled spending but rather the result of a significant decrease in federal revenues due to the recession.

When the election is called later this year and the people of Canada have the opportunity to really consider our medicine and compare it to the voodoo remedies of the opposition, I am confident they will make the right choice.

• (1035)

Let us face facts. There is no magic elixir. The debt crisis did not happen overnight and it most certainly will not be solved overnight. The reality of the situation is that there is no quick fix and there is certainly no magician who can wave a wand and proclaim, presto the debt is gone.

Although I admit the budget was not warmly received initially by the international economic community, the budget lays a solid base for a Canadian solution to a Canadian problem. Some of the high priced experts criticizing the budget were advocating an increase of 2 per cent in the GST and raising other federal taxes.

Yes, Canadians want to see an end to the deficit but they want to see it achieved through spending cuts and not higher taxes. We acceded to the wishes of the Canadian people and there are no new taxes or tax increases in this budget.

The budget cuts more than $30 billion from federal spending over the next five years. It builds upon the restraint measures introduced in the December 1992 economic statement. These measures will yield savings of $3.8 billion in 1993–94, rising to $7.9 billion in 1997–98 for a total savings of $30.7 billion.

These measures will also see the number of jobs in the federal Public Service reduced by 16,500 over five years. With further cuts in the federal departmental operating budgets, together with the December economic statement wage freeze, the total savings over five years in this area alone will be $7.5 billion. By holding defence spending to zero real growth starting in 1994–95 combined with the 1992 restraint measures there will be a total savings of $5.9 billion over the next five years.

These measures are only the tip of the iceberg as far as the significant savings this budget will see accumulated over the next five years. This budget will see the deficit reduced to $32 billion this year, which is the target set out in December despite lower than expected revenues. It also aims to end new borrowing and begins the process of reducing publicly–held debt over five years.

Drastic cuts in spending are not the only budget measures. Building on the streamlining actions contained in the 1992 budget, 12 federal organizations will be eliminated, merged or restructured. For example the taxation and customs and excise departments will be amalgamated. In addition our government will be pursuing the privatization and commercialisation of a number of federal organizations and services to reduce the over–all size of government while improving the delivery of services.

There are areas left untouched by the budget. Although this is a tough budget it is also a fair one. Two major areas of public policy are exempt from the budgetary measures. Benefits for the elderly and veterans are again excluded from spending cuts. So are programs specifically geared to the disabled, certain native programs, the Canadian Jobs Strategy and famine relief.

• (1040)

In recognition of Canada's common fiscal problems, no additional restraint is being imposed on major federal transfers to the provinces. These will grow by almost 4 per cent a year, more than twice the rate of other federal program spending.

While we are speaking of the provinces, if it has not been abundantly clear in the past it certainly is now that the deficit and the debt are not the federal government's problems alone. All governments share responsibility for their creation and an equal responsibility for their reduction and eventual elimination. Frankly, the taxpayers of Canada want all governments to work together to find solutions to the national debt problem. That is why I

believe the most important aspect of the budget was the invitation extended by the Minister of Finance to all provincial and territorial finance ministers to attend a special meeting on May 30 and May 31 in Ottawa to begin the process of developing practical, co-operative solutions to our common fiscal problems.

I believe the planned meeting at the end of May is a significant step in the right direction. The federal government can slash spending from now until the cows come home, but unless all legislative jurisdictions in Canada pull together this problem will not be solved. Something concrete must be done to reduce the debt so succeeding generations will not continue to have a mortgage hanging over their futures. I do not believe for one moment that anyone wants to leave behind such a dismal legacy.

In conclusion, there are many who believe our government did not go far enough with the measures outlined in the budget. I disagree. To my way of thinking the budget provides a realistic approach to Canada's current fiscal problems, although the approach is gradual rather than radical. I believe it is both sensible and responsible. Yes, we could have made immediate cuts instead of phasing them in over five years and we could have raised taxes. However, in light of the fact that our economy is still recovering from one of the deepest recessions in recent memory the medicine is strong enough to do the job without killing off the patient.

The bottom line is simple and clear. Governments do not create jobs or enhance economic performance; the private sector does. I believe that the budget builds on the 1992 budget and the December economic statement by realistically attacking the number one dampener of economic activity, the deficit. In the final analysis less borrowing, lower interest rates and lower taxes are the best possible ways to stimulate economic activity and job creation at this time.

The previous speaker mentioned that one of the all-important reasons for our present financial situation is the proposed acquisition of the new helicopter program, the EH-101. I am aware that a great many in the opposition are giving the impression, probably not saying it so specifically, that the Government of Canada will be writing a cheque this year for $4.8 billion for the helicopter program. I happen to be a member of the Standing Committee on National Defence.

• (1045)

We had a very interesting and important meeting yesterday with the senior officials, the deputy minister and Admiral John Anderson, the chief of staff. I had the opportunity to question officials about this and of course listen to questions from my colleagues on the opposite side. In my remarks I stated that where we fell down badly was in getting the message across to the Canadian people. Even one of my distinguished colleagues on the Liberal side agreed with that.

The EH-101 program will do a job that is necessary. Sure there are no submarines lurking in our waters at the present time. I believe there are about 800 submarines owned by all the countries in the world. We know they are not a danger at the present time. It has not been emphasized enough that the EH-101 is a much superior aircraft and one of its most important jobs will be search and rescue.

It was mentioned in news reports that the new frigates coming on stream are not built to take the new EH-101—there are three frigates in the water now and there will be 12 within a very few years—and this was denied in no uncertain terms. They are built for that. The chief of staff and one of the other officials did mention that three of the Tribal class destroyers were not built to accommodate these new helicopters. There will be modifications made on those three quite old destroyers.

There was quite an article in the *Times Colonist* paper of Thursday, April 22. This is some information I would like to read into the record:

> The mythical-cum-political version appears to have the following qualifications. Its selection was kept secret and was not debated until after the decision to buy it last summer.
>
> It is an attack helicopter. Its sole purpose is to combat a non-existent cold war Soviet submarine threat.
>
> Its other capabilities are far beyond our needs. It is the world's most expensive helicopter and costs $80-$90 million a copy. The project cost ballooned from $4.4 billion total to $5.8 billion and is unaffordable.
>
> Moreover, Canadians will receive no significant benefits from this expenditure.

Listen to this:

> It is too large to operate from a ship or to be maintained on board. Its limited range and fierce downwash make it unsuitable for search and rescue.

I could go on and on and on. Yet in answer to those negative remarks let us look into this:

> Its selection in 1987 was highly publicized. In November 1990 the all-party Commons standing committee on national defence called the EH-101 the only contender for the Sea King replacement and recommended the replacement be done as soon as possible to avoid costly stopgap measures. It is a multi-role helicopter with three variants: naval, commercial heliliner and tactical/logistic transport.

• (1050)

The naval variant is designed for the surveillance and control operations against ships, submarines and aircraft and to provide early warning of anti-ship missiles or attacking aircraft. It also will enable its mother ship to conduct SAR, search and rescue, medical evacuation,evaluation, relief airlifts—

The EH-101 has the range, endurance, survivability and all-weather capabilities essential to cope with Canada's extremes of weather and large ocean areas of responsibility and to handle United Nations commitments in foreign seas.

Madam Speaker, I could go on but I just want to emphasize again that this new helicopter which will be purchased will be proven and will be accepted by the Canadian people. It is getting all the adverse publicity now because of a leadership convention which is taking place and also an election which may take place some time this year, if not a little later.

Mr. Rex Crawford (Kent): Madam Speaker, I would like to ask the hon. gentleman two questions. I have had the opportunity to sit on the environment committee with this gentleman for a couple of years and I respect him deeply.

I have a private member's bill C-301 which is an amendment to the financial act that is before the committee at the present time before it goes to third reading. I do not know if he is familiar with it but it is a bill on government accountability. I think it is a good bill and knowing the member and his common sense I was wondering if he could give me his views on that bill to help out on such situations as the budget.

My second question concerns the EH-101 helicopter. A close friend of mine in the city of Chatham is a helicopter pilot and owner who was with the United States Air Force and also flew for Jacques Cousteau in South America. He stated just Tuesday evening that the Sea King can be refitted electronically to do everything the EH-101 will do. He explained that the EH-101 is only 20 miles an hour faster than the Sea King or the Bell helicopter. He said when you have a rocket coming at you at 700 miles an hour, 20 miles an hour means very little. It is the electronic system that is the important part of a helicopter. The frame can be replaced, the motor can be replaced, but the electronics is the most important part of a helicopter.

Now, we are getting 27 per cent of the work on this helicopter in Canada. Could we not get 100 per cent work in Canada by refitting our Sea Kings electronically?

I wonder if the hon. member would give his views on refitting our present helicopters as the United States has already done with theirs.

Mr. Dick: We have done ours twice already.

Mr. Crawford: Well, let us refit them again at a very minimal cost. You can refit them indefinitely.

Mr. Dick: No, you cannot; the frame will fall apart.

Mr. Crawford: Are you a pilot?

Mr. Dick: I happen to be the guy on the committee who chose them.

Mr. Crawford: Well, I think you made an awful mistake. But I am asking the hon. member over there for his view.

Mr. Darling: Madam Speaker, I have the greatest respect for my colleague and as he said we have both had the privilege of being vitally interested in the environment and sitting on the environment committee.

With respect to that private member's bill, I must admit I am not familiar with it. But let me tell you that I am in favour of anything that is going to make the government more accountable and I will say amen to that. With respect to the purchase of the EH-101 because of the expenditure to refit the Sea Kings, I am not sure what the Minister of Supply and Service said.

• (1055)

Mr. Crawford: Don't worry about him Stan, he doesn't matter a bit.

Mr. Darling: Well all right. In any event, I am aware that there has been retrofitting of these helicopters in the United States. However the aircraft that are being refitted in the United States are much younger than

ours. Therefore, if we spend this money there is still a deadline of seven or eight years, and it would be an expenditure of $2.5 billion.

I think my colleague will agree that the majority of the Canadian people are against it. They are of the opinion that it may be the Minister of Supply and Services who will be writing the cheques and that the cheques will be written for $4.8 billion this year.

As I mentioned earlier in my remarks, when Admiral Anderson and his officials were before the Standing Committee on National Defence I brought up that very question. He pointed out to me that the EH-101 program this year will require a total expenditure of $200 million, rising gradually to a maximum of $700 million a few years from now and then reducing after that. In other words, there will not be a great savings this year whether the program is discontinued or not. Two hundred million dollars is not too much and that is what the program is costing Canadian taxpayers this year.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I am pleased to take part in this debate on Bill C-117 to authorize the government to borrow the huge amount of $31 billion.

The previous speaker mentioned the helicopters. Without getting into the specifics of this project, it should be noted that we are buying a Cadillac and at this rate we will not even be able to afford to put gas in it. That is where we are at. I think we should reconsider this deal.

The deal was approved in 1990 and my hon. colleague referred to the unanimous report from the Standing Committee on National Defence. But the global situation has changed considerably since then and I do not think we need helicopters powerful enough to chase nuclear submarines which are no longer in service, seeing that the nations whose nuclear submarines were threatening us no longer exist as such. So, we should reconsider this whole thing.

Moreover, with respect to the helicopters, when you talk about 45,000 jobs being created, all that is based on getting contracts from foreign countries. But we know that the economy is in a critical state not only in Canada but world-wide. The chances of getting foreign contracts are minimal. So, why take such a risk? Instead of investing $5.8 billion in a project which ultimately will not create that many jobs— actually few jobs will be created—the cost of this project is so high that we should really reconsider.

I notice that it is eleven o'clock, Madam Speaker. With your permission, I would like to conclude my comments on this bill after question period.

Madam Deputy Speaker: Very well. We will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

• (1100)

[*Translation*]

VOLUNTEER WORK

Mr. Marcel R. Tremblay (Québec-Est): Madam Speaker, last Thursday evening, I had the honour and the privilege to highlight the exceptional work done by 43 volunteers in my riding at a ceremony where they received the commemorative medal of the 125th anniversary of the Canadian Confederation.

The riding of Québec-Est is packed with exceptional people and it was very difficult indeed to make a choice.

I want to pay a special tribute to these people who have contributed to improving the well-being of the population while strengthening community spirit.

I applaud these people who have given freely of their time, talen and energy for the education and cultural development of our society.

* * *

THE ECONOMY

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, Monday's budget clearly proved that this government has no answer to the economic problems which have been with us for several years.

The deficit, unemployment, high and numerous taxes have hit Canadians hard, especially the middle class which pays more than its share of taxes in Canada.

They should have planned a complete overhaul of our tax system to ensure fairness for all Canadians without any special favours for the wealthy, as well as a national

technical training service so that our young people can take up their rightful place in our society.

Canadians are looking for a government with unshakable political will, to deal with the crisis we are now facing.

* * *

[*English*]

THE BUDGET

Mr. Willie Littlechild (Wetaskiwin): Madam Speaker, people in my riding want to see an end to the deficit. I recall the many times this was expressed to me over the past five years. They also want to see it achieved through spending cuts and not higher taxes. Although there are some who would like to see us spend more money on jobs, most agree that the government does not create jobs, the private sector does.

On behalf of my constituents in Wetaskiwin I ask all of our colleagues to commend the Minister of Finance for his persistent and consistent attack on the deficit. This budget cuts more than $30 billion over the next five years. It builds upon expenditure restraint measures introduced in the December 1992 economic statement. That will mean less borrowing, lower interest rates and lower taxes. My constituents agree that is the best way to stimulate economic activity and job creation.

I am particularly satisfied that the Minister of Finance has been able to begin national co-operation on all government debt. This is fundamental to ensuring continued economic recovery. We have to do it jointly with the provinces, and we encourage him and thank him for his continued efforts.

* * *

CORNWALL, ONTARIO

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, Monday's budget will do nothing to help bring about an economic recovery for the people of Cornwall. With unemployment at over 20 per cent and 37 per cent of the population relying upon some form of social assistance, Cornwall has received nothing from this budget to stimulate an economic recovery.

Since 1989 more than 20 factories and numerous businesses have ceased operations. In the last two and a half years 3,000 jobs have been lost through plant closures and lay-offs. This is the harsh reality of nine years of Conservative government. This is its economic legacy.

With 1.5 million Canadians out of work, the economic mismanagement of the government has exacted an enormous human deficit which rivals the country's financial deficit. Fortunately Canadians will soon have an opportunity to put this government out of business. This will be one closure that will offer hope to the people of Cornwall for a brighter future.

* * *

THE BUDGET

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, the recent budget continues along the path of economic self-determination. Since my election the philosophy of this government has been to guide us gently back toward economic sanity after successive years of Liberal lavishness.

It would be heroic to be spenders. Spending more than the credit card allows, by the Liberals, robbed this past decade and maybe the next of this privilege.

Perhaps the best testimony for this budget has come from what we call an ordinary Canadian, my Ottawa landlady. A lifelong Liberal she concluded a discussion on the budget by pounding her fist on the kitchen table and saying it is a good budget. She said that we have the lowest interest rates in a lifetime and the lowest inflation in a lifetime. There are no new taxes, no tax increases and $30 billion in federal spending cuts.

The budget is everything we asked for. Compare that to what the now disappearing party has done to us. This is a good budget.

* * *

CHILD CARE

Mr. Rod Murphy (Churchill): Madam Speaker, I had the opportunity to talk with a number of child care operators in my riding in Thompson, The Pas, and also with people from the Indian reserve in The Pas area.

They are very concerned about the fact that there is no national child care program. They are also concerned that the provincial government in Manitoba has cut the actual number of subsidized child care spots throughout the province. That means that women, quite often single parents, who need child care in order to take training to get off welfare and better themselves are not able to do so.

• (1105)

This government promised a child care program in 1984 and in 1988, but it is not following through. If we do not have a national child care program we only encourage more and more people to stay on welfare. That only increases the national deficit.

It is time for a national child care program to help those people who want to better themselves.

* * *

[*Translation*]

TRADE

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, in my opinion, Canadians should applaud this government's efforts to attract investment that generates jobs, whether we are talking about the Canada-U.S. Free Trade Agreement or the North American free trade agreement.

A convincing example of what can be achieved was the announcement on March 1 this year that $160 million will be invested by a Spanish company, Petresa, in a petrochemical plant in Bécancour.

The plant will produce additives for biodegradable detergents that will be sold throughout North America. Five hundred workers will be involved in construction of the plant, while another 75 will be employed in the plant on a permanent basis. The plant will make Canada a net exporter of this type of "green" product.

According to the president of the Spanish company, now that the North American free trade agreement was signed, the location on the St. Lawrence in Quebec will be ideal for shipping their products in Canada and to the United States and Mexico. Now that is free trade!

* * *

[*English*]

FISHERIES

Mrs. Coline Campbell (South West Nova): Madam Speaker, section 35(1) of the Fisheries Act states:

S. O. 31

No person shall carry on any work or undertaking that results in the harmful alteration, disruption or destruction of fish habitat.

Section 35(2) allows a person to contravene this subsection.

I call on the minister of fisheries to put a hold on the leases given in the Annapolis Basin by the provincial minister of fisheries in light of the people in the area having so many questions. The municipality of Annapolis wants to see the scientific studies before aquaculture begins. More important, the traditional fishermen want to see and question the studies. They want to meet with the elusive provincial minister of fisheries to ask him why he allowed aquaculture in an area so highly utilized when there are so many other areas around the coast.

There are many unanswered questions. I call on the federal minister of fisheries to make public the studies that were made in order for him to go against subsection (1) of section 35.

* * *

ORGAN DONORS

Mr. David Bjornson (Selkirk—Red River): Madam Speaker, I would today like to call upon all members of this House, as well as all Canadians, to consider becoming an organ donor.

In Canada there are approximately 1,700 people waiting for an organ transplant at any one time. For some of these people a transplant will not come in time and they will die while waiting. Everyone has the potential to become an organ and tissue donor. The health of the donor, not the age, is the most important thing to consider.

Signing an organ donor card, whether separately or on the back of a driver's licence, is one way of indicating one's wishes to be an organ or tissue donor.

In closing, once again I ask all Canadians to consider becoming an organ or tissue donor. Let us all remember that if we are prepared to receive we must be prepared to give.

* * *

TREE SPIKING

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, two weeks ago, Paul Watson, who is the

head of the Sea Shepherd Conservation Society, claimed his group had already spiked 20,000 trees in the Clayoquot Sound region of B.C. and intend to spike a lot more. As well, he said he intends to teach a course in tree spiking in Tofino, which is in that region, at the end of this month.

Hidden spikes hit by saws send shrapnel flying indiscriminately and can tear through metal roofs and bodies like a machine gun. Mainstream environmental groups, the forest industry and the provincial government have all condemned Watson's statement. These threats are serious. As of November 27 of last year more than 40 spiked trees were found in one site of the disputed area. As of this time only the province of B.C. has legislation specifically outlawing tree spiking.

It is reported that the federal justice department has been preparing related amendments to the Criminal Code and I urge the government to immediately introduce such amendments, possibly in line with my own Motion M-767. My message to the government is: Nail the spikers now and incarcerate those who deliberately threaten the lives of loggers and woodworkers.

* * *

• (1110)

THE BUDGET

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, the 1993 budget is a mess. The Conservatives tell us that if they are re-elected they will add over $100 billion dollars to the debt. They also tell us that the deficit in the coming year will be $32.6 billion.

In reality the deficit would have been $33.25 billion but thanks to a shell game they managed to postpone $625 million in GST credit cheque refunds to low-income Canadians to next year's budget.

When the Tories talk about getting the country's finances back in order after nine years in government they really mean they are going to worsen the situation. When they talk about jobs they mean lay-offs.

What we need to get us out of this economic mess is a Liberal government that would not only look at the balance sheet but also give its attention to stimulating the economy and job creation.

* * *

DUTY FREE SHOPS

Mr. Ken James (Sarnia—Lambton): Madam Speaker, I rise today in support of the representations made by the Frontier Duty Free Association to the Ministers of Finance and National Revenue.

On behalf of the land border duty free shops, the association has sought an exemption from any possible potential reinstatement of the export tax on cigarettes.

Members of this House will know that no study has linked the sales by duty free shops to the tobacco smuggling problem. Departmental officials also have publicly acknowledged that these shops are not part of the problem.

In addition, to remove any doubt the duty free shops have worked co-operatively with our federal officials to ensure that they do not contribute to the tobacco smuggling problem.

Make no mistake about it. I continue to fully support our efforts to combat the problem of tobacco smuggling. However I would insist that the rather unique situation of these land border duty free shops, which employ over 700 Canadians, be given appropriate consideration.

* * *

RACIAL DISCRIMINATION

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I would like to publicly deplore the actions of an extremist right wing organization, the Heritage Front, along with others that are spreading hate propaganda, anti-Semitism and white supremacy in our community. The people of this city do not support this type of action.

We must protect the cultural mosaic of Canada. Our community requires a proactive approach. I am calling on the government to amend the Criminal Code to ensure effective means are implemented to deter hate propaganda.

Furthermore, I am calling on the government to facilitate the establishment of a working group in order to examine ways to ensure that racist organizations do not continue to flourish in our community.

NATIONAL DEFENCE

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, the commanding officer of the Canadian Forces Marine Testing Range at Nanoose, B.C. recently announced that Canadian and U.S. Armed Forces have jointly committed to extending the agreement on the base for another 10 years. This *fait accompli* comes despite the fact that the base agreement does not even come up for renewal until 1996.

The base receives regular visits from nuclear powered and nuclear capable vessels. Documented accidents, including the disintegration of a Soviet nuclear submarine in Norwegian waters last fall, attest to the health and environment risks posed by these vessels.

There have been repeated calls for environmental impact studies to assess the dangers and for conversion of the base. A year ago the B.C. government declared the province a nuclear weapon free zone and earlier this month the city of Nanaimo voted to support conversion of the base to peacetime use.

The cold war is over yet the Canadian military has apparently entered into an agreement to continue cold war operations into the next century.

When is the minister of defence going to take command of the Canadian Armed Forces and follow Canadian priorities rather than—

[*Translation*]

Madam Deputy Speaker: I am sorry but the hon. member's time is up.

* * *

[*English*]

CONSUMER CREDIT

Mr. Barry Moore (Pontiac—Gatineau—Labelle): Madam Speaker, this year the federal government is highlighting the importance of consumer credit during National Consumer Week in order that consumers can act with full knowledge when they use the credit options that are available to them.

It seems clear that marketplace conditions affecting the use of credit have undergone fundamental changes and that these conditions are likely to persist.

For example, while some types of consumer debts have declined from their recent peak level the use of consumer credit is still more common than it was a decade ago. Another change involves the misuse of credit, particularly credit cards.

To address this the Minister of Consumer and Corporate Affairs is communicating his concerns to the provinces and to credit grantors and asking them to provide their ideas on how problems of excessive indebtedness can be prevented and how the importance of the wise use of credit can be communicated effectively to consumers.

In addition to co-operative action with provincial governments and credit grantors, the Department of Consumer and Corporate Affairs will continue to make information on the wise use of credit available. This will help consumers better understand how to manage their credit responsibilities.

ORAL QUESTION PERIOD

• (1115)

[*English*]

AIRLINE INDUSTRY

Mr. John Manley (Ottawa South): Madam Speaker, perhaps there is a minister who could answer a question on transport today.

Yesterday Hollis Harris, president of Air Canada, announced that there were more job losses in the works at Air Canada. The deterioration of the airline industry in Canada is a symbol of the government's incompetence.

On the one hand, the Minister of National Defence does not believe there is enough traffic in the industry for two airline companies, as she stated recently on the program *aujourd'hui dimanche*. On the other hand, the Minister of Transport has said, and I quote: "It is in the best interests of consumers and the travelling public to have two airline companies".

What is the government's policy on the future of the airline industry in Canada? Does the government have any idea what it wants for the future of that important industry?

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, it must be Friday. We get this question every Friday and the answer remains the same whether the Minister of Transport replies or I reply.

The answer simply is of course that the government is very concerned about the state of the airline industry as we are about the state of the airline industry around the world. Obviously in a recession and as a result of the gulf war airline industries around the world are in a difficult situation.

We are awaiting results of the NTA review of the current application of Canadian for an arrangement with American airlines. The government has got itself out of the airline business. We are waiting for a private sector solution. We are encouraged that one will soon be found.

Mr. John Manley (Ottawa South): Madam Speaker, I do not think the parliamentary secretary heard the drift of the question which raised new information that has come out recently.

He knows very well that in light of the decision of the competition tribunal last week, Canadian Airlines International is struggling to survive by seeking the co-operation of its employees and, most important, its creditors.

In the midst of all this the Minister of National Defence, a senior minister in government, decides to announce her learned opinion that Canada does not have enough traffic for two airlines. What message is she seeking to send to the creditors of Canadian Airlines? Is it that it is time to smash and grab? What message does the government have for those creditors?

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, as I said in my initial response, the position of the government has not changed in this regard at all.

Mr. John Manley (Ottawa South): The position has not changed. It does not have one, Madam Speaker.

[*Translation*]

As I said before, Air Canada president Hollis Harris announced yesterday there would be another substantial loss of jobs at Air Canada. Meanwhile, the government is not charging Air Canada's competitors full landing fees and other taxes payable to the Government of Canada.

Why does the government maintain this double standard for air carriers? Why is the government just waiting for our airlines to go under?

[*English*]

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, I think everyone in the House is aware of the difficult situation of Canadian Airlines and of all airlines in Canada at the present time. This kind of rhetoric does not help the situation at all.

We have been working very closely with all airlines in the country to ensure an ongoing competitive airline situation in Canada. The hon. member knows very well about our efforts, and again I do not think this kind of rhetoric helps the situation at all.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, my question is not directed to the parliamentary secretary because his answers are entirely unsatisfactory. Air Canada has just announced that 2,200 employees will lose their jobs. This is not rhetoric. This is grim reality. We can blame the Conservative government for failing to act in the transportation sector.

I therefore want to ask one of the ministers from Quebec—not many are here today, but I would like to ask one of them—what this government intends to do to help Air Canada deal with its current economic problems, a company that under the Liberals was one of the seven best companies in the world and provided 24,000 jobs. I may remind the minister that today, Air Canada has only 6,000 employees in Montreal.

• (1120)

When will the Conservative government wake up and help this company remain viable, a Canadian company that creates jobs and keeps jobs in Montreal?

[*English*]

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, I think I should respond by first mentioning that the Minister of Transport is a Quebec minister. The minister is very aware of the situation with regard to Air Canada.

However I go back to my response to the member for Ottawa South. World airlines are in a difficult situation as a result of (a) the gulf war and (b) the world recession.

This is not a situation unique to Canada. There is clearly overcapacity in Canada and these matters are being worked out.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, the parliamentary secretary says this is a global problem. We are not talking about problems caused by the gulf war but about Tory policies, including deregulation, which created this problem facing Canadian companies today.

Earlier, my colleague asked some specific questions about Canadian airlines. I am now asking specific questions about Air Canada, and the parliamentary secretary tells us that the minister is from Montreal and he is keeping a close watch on the situation. The present minister may be from Montreal, but four of his predecessors were also from Quebec or the Montreal region and nobody has done anything whatsoever to help Air Canada.

Again, I want to ask when this government is going to get a consistent policy for the air transportation sector in order to save Canada's air transportation industry.

[*English*]

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, again I can appreciate the member's concern, coming late into this discussion.

On the other hand we have recently received the NTA report. One of the recommendations of the NTA report is on deregulation and how in fact it is working and working well across the country.

* * *

THE BUDGET

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I share the concern of the hon. member of the Official Opposition who just spoke, but I would remind him the Liberals were the first to worship at the idol of deregulation under the Liberal Minister of Transport prior to their defeat in 1984.

My question is for the Minister of State for Finance and it has to do with the budget. It concerns the contrast between the rhetoric of the budget with respect to deficit reduction and the fact that no effort was made to close tax loopholes that had been identified previous to the budget and had been discussed in this House.

At least on one occasion the Minister of Finance indicated to me that he might have been considering reducing or eliminating the business and entertainment tax deduction that costs Canadians $1 billion a year. Could the minister say why no step was taken to address that particular tax measure?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, is that a question written by the hon. member from Windsor or is it one from the hon. member from Saskatchewan?

I will answer the question this way directly. The hon. member knows full well, because I saw him wining and dining with the Canadian Restaurant Association at the Chateau Laurier Hotel, that the Canadian Restaurant Association and the Canadian Small Business Association rely on those deductions for business purposes to help them with tourism, the restaurant business and small business.

New Democratic Party members stand and say that they are the great champions of small businesses but they certainly are not supporting them on this particular issue.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I do not know what the minister was consuming at that event but I certainly was not present.

In any event, the minister has given an argument in defence of that particular deduction, but the argument the Minister of Finance has given me in the past has had to do with staying competitive with the United States of America. This is the first time we have heard this particular angle.

• (1125)

Why was no effort made to close some of the tax loopholes that were identified by the Auditor General in his report? Surely, if deficit reduction is important, these

kinds of loopholes should be addressed, particularly the ones which have been identified by the Auditor General. Why was no action taken on those particular loopholes?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I am not sure exactly what the hon. member is referring to when he talks about the Auditor General and loopholes.

Recently the Auditor General came out with a report saying that foreign companies were given an unfair advantage, but once the figures were compared with the Department of Finance and the situation examined there was a meeting of minds that maybe that was not entirely accurate.

I am not sure to what the hon. member is referring specifically. Let me say this. This government over the last nine years, the Government of Canada, has reduced or eliminated more tax loopholes, as they are commonly referred to, than any previous government.

The hon. member knows that. We have brought in minimum corporation taxes, large business taxes. We have brought in minimum taxes for banks and financial institutions. The hon. member knows we have gone a very long way. For him to stand here today and talk about tax loopholes and so on is really misleading the House.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I would agree that there were many tax loopholes to close, thanks to previous Liberal governments, but there are many tax loopholes yet to be closed by this particular Conservative government. Many of them have been identified over the last few years, and particularly over the last little while.

In a budget that was allegedly devoted to deficit reduction we saw absolutely none of these tax loopholes closed. I think it gives the lie to what the government is really up to.

Therefore could the minister explain, again with respect to tax loopholes, why the government refused to have anything to do with the proposed draft of the multilateral mutual assistance agreement by the 28 members of the OECD and the Council of Europe, a draft designed to take on the world's largest tax loopholes, preventing both evasion and avoidance of all taxes other than customs duties?

This treaty, more commonly known as Interfirpol, equips national governments to effectively deal with the formidable obstacles that global companies are constantly throwing at our national economies and at our national fiscal systems.

Why is it that the Canadian government has refused to try to create an international context in which one country cannot be played off against the other and on which ministers of finance do not have to constantly rise in this House and say they cannot close particular tax loopholes because it would make them uncompetitive?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I find it interesting that the New Democratic Party and its spokesman today talk about the finance ministers from the IMF, the OECD and the G-7 playing off against one another, when it is just exactly the opposite.

The G-7 finance ministers are in the process of meeting in Washington before the IMF and World Bank meetings this weekend. I thought my hon. friend might be prepared to use some of the quotes such as that of Michel Camdessus, the managing director of the International Monetary Fund, who said: "My impression is that there is a very significant effort to take care of the public debt in Canada. The last developments are positive including the budget which was announced two or three days ago".

Mr. McCurdy: Answer the question.

Mr. McDermid: Co-operation between countries and between finance ministers is ongoing. Thank goodness the NDP is not in there. There would be no co-operation at all.

Mr. Blaikie: What about the question I asked?

* * *

NATIONAL DEFENCE

Hon. William Rompkey (Labrador): Madam Speaker, my question is for the Acting Prime Minister.

The minister of defence claims she did not know that the beating death in Somalia on March 16 involved criminal intent until March 31. Yet statements by the chief of defence staff show clearly that she knew on March 19.

Yesterday the Minister of National Defence called the statement of the chief of defence staff ridiculous.

• (1130)

My question for the Acting Prime Minister is this: Does he agree with the Minister of National Defence or does he, as we do, believe the chief of the defence staff? If he does, would he agree to open up the Somali inquiry to include a thorough examination of the role of the minister?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): To begin with the hon. member has not represented the situation factually in terms of what actually was said by either the Minister of National Defence or the chief of the defence staff.

The chief of the defence staff in his briefing indicated that the unit reported evidence indicating that criminal intent might be linked. He indicated that it might be linked. The hon. member said that the Minister of National Defence therefore knew there was criminal intent. She knew no such thing, nor did the chief of the defence staff say so. He said there might be.

What happens when there is an indication that there might be? An investigation is appointed and it is investigated by the appropriate authorities. That is precisely what the Minister of National Defence indicated was happening. It was being investigated. It is up to the investigation to make that determination.

The hon. member knows, if he attended the briefing of the Judge Advocate General, that the Minister of National Defence has a role in the defence legal system not dissimilar to that of a judge. If in fact the Minister of National Defence had stated explicitly on the 7th: "Yes, criminal intent," the hon. member quite rightly could have stood in this House demanding her resignation immediately for acting irresponsibly.

She said all she could say. She did not misrepresent the situation, nor in fact is there any conflict between what she said and what the chief of the defence staff said.

Hon. William Rompkey (Labrador): Madam Speaker, there clearly is a conflict. If the minister is in fact correct then she has nothing to hide from a public inquiry then surely a public inquiry would exonerate her.

If, as Canadians believe and we believe, there is a contradiction between what the chief of the defence staff said and what the minister said, they cannot both be right. In order to arrive at the truth why does the government not open up the inquiry to include a thorough examination of the role of the minister? If she is right she has nothing to hide.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): To begin with, what particular accusation is the hon. member making in terms of the Minister of National Defence? Is he suggesting that as Minister of National Defence she should have come out and stated explicitly all the details?

Let me repeat my first answer because obviously he did not hear it: Indicating criminal intent might. Indicating might. Think about those two words, "indicating might". That was concluded.

Mr. Rompkey: She did not say that.

Mr. Andre: Now the hon. member is shouting at me and will not listen to my answer even though he asked the question. Supposedly he treats this issue seriously. If he did he would close his jaw and listen to my answer.

The reality is that the inquiry was set up to establish the truth in respect of the operations of the Canadian Armed Forces units in their peacekeeping role. They are not dealing with a criminal investigation which is going on by the appropriate authorities under the jurisdiction of the Judge Advocate General.

The reality is in order that there be full and frank discussion by the witnesses it is being held *in camera*. The hon. member is suggesting that unless it is being held under the full light of TV cameras and so on we will not know the truth. Therefore, he s suggesting that the commissioners on this commission cannot be trusted to establish the truth. I would like him to name the commissioners he thinks are untrustworthy.

* * *

THE BUDGET

Mrs. Marlene Catterall (Ottawa West): My question is for the Acting Prime Minister. Today is tax day for Canadians. Since it was elected this government has spent $1 trillion of their money. That is a one followed by 12 zeros. The deficit has grown to $34 billion. The debt is

approaching $500 billion. We have been through a three-year recession and 1.5 million Canadians are out of work.

As Canadians write their cheques to the government they want to know this: Just what is going on here? What does this government think it is doing to this country?

Hon. John McDermid (Minister of State (Finance and Privatization)): I hope I have the time to answer this.

First of all, some very good news came out this morning. The real gross domestic product rose four-tenths of 1 per cent in February. Over the last three months real domestic product growth has grown at an average annual rate of 4 per cent. I might point out that goods production increased 5 per cent. All those are good signs. Those are signs that the economy is coming back.

• (1135)

This government has placed Canada in a position to take advantage of recovery. We have the lowest interest rates in 30 years, lowest mortgage rates in 30 years and the lowest inflation rate in probably 20 years. As late as yesterday we were being credited by the IMF, by the treasury secretary of the United States and others that Canada is going to have the best job growth and the best gross domestic product growth over the next two years.

That speaks well for the very tough decisions this government, the finance minister and the Prime Minister have had to take over the last few years to bring us to this point. We said this is what would happen. It is happening and we are very pleased to see it.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, when we have hit the depths this government has taken us to there is no place to go but up, is there?

If the minister wants opinions on the budget I will give him opinions on it: "From a tired government a budget without inspiration; a bloodless budget; a phoney budget; and more razzmatazz".

This government that promised Canadians no tax increases has given them 38 new taxes or tax increases. What does this budget promise them? It promises them more tax increases. For the next five years personal income taxes will increase by over 7 per cent. That is 36 per cent in this budget. Just what is this government doing with their money? Canadians want to know why they should trust it with one more cent.

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I find that passing strange. We were criticized by the business community and some of the financial thinkers in this country for not raising taxes. Now my hon. friend is coming out and saying that we are raising taxes. The first statement by the Minister of Finance in the budget was that there were no new taxes and no increase in taxes. We are standing by that because we think that will help recovery.

The hon. member should get her facts straight. She made a series of quotes about the attack on the budget and, as my hon. friend said, it was probably the hon. member for Windsor West who said that.

Let me do some quoting from the people who should be listened to because I think it is very, very important. The secretary of the U.S. treasury said: "I am very pleased to see Canada with a strong budget where they are also pushing for growth". I could go on and on with the number of people who are supporting the budget.

Here is another one. The hon. member will be interested in this one because the Liberal Party was gloating about a credit rating decrease by one of the bond rating agencies. "I think Mazankowski was very successful in deflecting the CBRS downgrade by downgrading the CBRS". Well it was not only the Minister of Finance who did that but it was all the other bond rating agencies as well.

We are on the right track. We are heading in the right direction.

* * *

ABORIGINAL AFFAIRS

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, my question is for the minister responsible for housing.

Off-reserve native housing organizations have learned from the minister's office that as a result of last Monday's budget no new funds will be available after January 1, 1994 for urban and rural native housing programs, for the RRAP program, or for rent subsidies.

Not only will no new off-reserve housing be built to reduce the long waiting lists and overcrowded conditions, but the lack of maintenance funds through the RRAP program will mean that the quality of current housing stock will quickly deteriorate. The additional social costs related to inadequate housing conditions as well as the higher replacement costs which future governments will face as a result of the cutback to RRAP mean that in future Canadians will face even higher deficits than if the government had continued to borrow to finance off-reserve housing for native people.

Will the minister confirm to this House what his office has been saying to native off-reserve housing agencies, that no new funding will be available after January 1, 1994? Will he advise the House whether any studies were done to determine the impact on the deficit in allowing current CMHC housing stocks to deteriorate, as well as the added social costs which result from overcrowded and inadequate housing conditions?

• (1140)

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Madam Speaker, social housing has been impacted by the recent budget. I think the hon. member knows, but it should be pointed out, that the on-reserve native housing is not affected by that budget change.

The natives off reserve as well as all other people involved in social housing have been impacted by the cuts made to social housing. The implication of the member that housing would deteriorate and reach unacceptable standards is wrong. The program will continue to maintain in good shape the housing that does exist.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, many aboriginal people leave reserve communities because of the lack of economic and educational opportunities.

With this change in the program they will now be forced back on to reserves where even the department admits that half the housing stock is unliveable and where they are going to face lack of education and economic opportunities. This is as a result of a 30 per cent roll back in economic development money for reserves last year.

Is the minister aware that his cuts to housing programs will force native people to stop seeking employment and education opportunities off reserve, will force them back into the welfare system and overcrowded conditions on reserve where there are serious social problems?

Is he not concerned that the cost to this and future generations in human as well as financial terms will far exceed the short-term savings that he hoped to accomplish by cutting off-reserve housing programs?

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Madam Speaker, the situation for the native people on and off reserve has been improving steadily over the past two years. There is no other government that has done more to assist the native people of Canada.

Obviously there is more that could be done and more that we would like to do. The situation regarding all the people of Canada, and there is such a thing as dealing fairly with all the people of Canada, is that we are in very tough times. We will continue to be for a short period. We have to take measures that may not be desirable but are necessary.

* * *

SMALL BUSINESSES LOANS ACT

Mrs. Beryl Gaffney (Nepean): My question is for the Minister of Finance. Small business in Nepean and elsewhere is telling me that government and banks are choking economic growth and job creation. They say that banks are uncaring, are calling loans, and cutting back on lines of credit.

We know 80 per cent of jobs in this country are created by small business. Yet government and banks, which are the country's two most powerful organizations, have demonstrated their failure to understand what must be done.

What hope will this minister give today in this House in spite of a do-nothing budget to small business in Canada?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, obviously the hon. member is not aware of the Small Businesses Loans Act changes which are tremendously important. In fact the changes were applauded by her party when they were introduced and they were

passed through the House in very quick fashion because of the tremendous hope given to small business.

Here are the changes: We are now guaranteeing 90 per cent of the losses instead of 85 per cent. We are now limiting the personal guarantee that banks can take when we do an SBLA loan. This is a very big step forward. Even John Bulloch who does not usually say nice things about any government applauded that.

What we are also doing under the SBLA is making sure that the banks know about it, that they put it in the window and that they train their staff on it. This has been done. I have already received reports from the six major banks. They are training their branches as I speak and most of them now are ready to use this act.

It is predicted that close to $1 billion worth of loans will occur in addition to what would ordinarily have occurred because of these changes.

I hope the hon. member will applaud us for this program because members of her party already have.

• (1145)

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I am well aware of the new Small Businesses Loans Act. We on this side of the House do applaud it but it would be interesting if he would sit down with the heads of financial institutions and have them advise the heads of their banks that this is actually in effect because banks are turning away business left, right and centre. When is the minister going to sit down and talk this over with the banks?

The biggest impediment is the lack of available funds from the lending institutions. These small businesses are not the Olympia & Yorks of the world. The banks and the government are not even aware that small business exists in this country.

Why has this government ignored small business? Why is it not creating jobs? It has not even addressed it in this budget.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, no government has helped small business more thoroughly than our government.

First of all we have maintained the income tax level for small business at the lowest level of the OECD, 12 per cent. Second, we reformed the SBLA. When her party was in government it did not reform the SBLA in the positive ways we have done it.

More important, all the regional programs we have are essentially for small business. Of course they have been creating jobs. On reserve, for example, the aboriginal economic development program created over 3,000 small businesses in the last five years alone.

I cannot in answer to one question tell the hon. member the litany of things that we have been able to accomplish for small business, but the most important of all is to make sure interest rates are low. The interest rates are now at the lowest level they have been in 30 years and that is important to every small business person across Canada.

I agree with her though that we should talk to the banks and make sure that the banks use these programs. They know about them and we are doing it. I would be grateful if she would assist us in so doing.

* * *

PUBLIC WORKS

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, my question is for the Minister of Public Works and it concerns the ICAO lease in Montreal.

In May 1991 Public Works Canada attempted to purchase the existing building in Montreal where ICAO is located. Less than 20 months later the government said that the building was so inadequate that it would not even rent it from the present owner.

I ask the minister: What changed in that 20 month period? Why is the government spending $175 million more than necessary?

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Madam Speaker, I am glad to follow up on the minister's statement yesterday. He took the question and I was quite pleased with his response.

With regard to the situation in Public Works, the way we have opened the process up it is transparent, and in his words, the process is squeaky clean. The situation is transparent. I am glad to know the hon. member is going to take advantage of the briefing the minister offered yesterday.

I would like to quote what one of the other tenderers had to say. The Westcliffe group and other rival developers seeking the ICAO lease said yesterday that the bidding process had been followed strictly. It goes on to verify that it was. The rules of the game were followed

all the way through. The member should be satisfied that there was no problem dealing with the ICAO situation.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, the member across the way wants to quote other bidders. I will quote him another one. The Canderel Corporation said: "The dice were loaded".

[*Translation*]

I would like to ask the minister's representative on the other side to answer the following questions. For one, I want to know why the government, that wanted to buy the building, immediately said that it was unsuitable and did not even want to rent it. Secondly, what will he and his government do to restore confidence in the contract awarding system at the Department of Public Works?

[*English*]

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Madam Speaker, I think the public and all members of this House should have absolute confidence in the system. It has never been better. In all of the years that member's party was running the government it was, I would say, less than squeaky clean.

The situation for ICAO for its requirements is this: Public Works in fact deals with customers. The customer was ICAO. It has new demands. It had a 20 year lease on the existing building. Its demands have changed. Its request of Public Works was that we enter a tendering process with those new demands. We have done so. The process is not yet complete. It will be shortly and we will be in a position to provide the customer ICAO with the facilities that it has asked for.

* * *

• (1150)

AIRCRAFT SERVICES

Mr. David Bjornson (Selkirk—Red River): Madam Speaker, my question is for the Minister of Transport.

I have risen in the House before on this issue of Aircraft Services in the Winnipeg area. The result of these interventions is that a study was undertaken and completed to determine the most cost effective location for this transport department.

First, can the minister tell the House the results of the study?

Second, can the minister tell the House if it is true that Aircraft Services, before the study is released, is seeking a new location which may or may not fall within the recommendations of the report?

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, this matter has certainly been ongoing longer than either the member or I would have cared.

The situation arose when the Aircraft Services central region aircraft which were originally based at Winnipeg International Airport in an old World War II hangar that was condemned by Labour Canada was abandoned and found temporary accommodation at St. Andrews of which the hon. member speaks.

There is a study ongoing. We have asked Peat Marwick to consider the best location for the permanent hangar situation. The member knows we have been studying the St. Andrews airport as well as Winnipeg and Portage la Prairie. There has been no lease signed. The department has not yet negotiated a new lease. We are waiting for the results of the Peat Marwick study which I expect will be available shortly.

* * *

EMPLOYMENT

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, my question is for the Acting Prime Minister in the absence of the minister of energy. I ask him to bear with me. I have a touch of laryngitis which is probably not a bad thing for an NDP MP to have this week.

Some hon. members: Oh, oh.

An hon. member: Wrong MP.

Mr. Waddell: We will not go into that.

Imperial Oil proposes to close its IOCO refinery in Port Moody, British Columbia and a number of workers will lose their jobs. These same workers received a zero per cent pay increase last year. These same workers developed ways in co-operation with local management to cut costs and improve efficiency. The refinery is actually making money.

My question is this. What is the government going to do to aid these workers and others who have done everything that the government has been telling Canadian workers to do but still lose their jobs?

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, I would like to remind my hon. colleague that the government, together with the Minister of Energy, Mines and Resources, is doing a great deal to help the energy sector, and particularly the oil sector. I will remind him of a very important program, Hibernia.

I hear the Bloc Quebecois member laughing at the Hibernia program. Maybe he should not laugh, because a great many Quebec companies benefit from it. It means jobs for Quebec. Maybe that does not interest him, but I would simply say that there are tremendous spin-offs for Quebec.

Getting back to my colleague from British Columbia—and I know it is unfortunate that jobs have been lost—I would remind him that programs for workers have been set up with the Minister of Employment and Immigration. Our funding has increased substantially to redirect them to other work or to upgrade their skills. Our department's main goal is not to try to maintain a company that is more or less in difficulty but to give it the best chance of acquiring expertise and good jobs in a field of activity where we perform well internationally.

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, I wish to thank the hon. member for his answer. We have the same situation in east-end Montreal.

[*English*]

On the west coast we had four refineries in the greater Vancouver area and now three of them have closed; Shell, Petro-Canada and now Imperial. The refined product is coming from Edmonton by pipeline instead of being refined in Vancouver.

I want to ask the parliamentary secretary this.

• (1155)

Given the possibility of an interruption of supply or a cutback by the company, what is the government going to do to protect the security of supply of gasoline for the lower mainland of British Columbia, to keep the prices from rising and to prevent independent gas retailers from being squeezed out?

Will the ministry, the department of energy, conduct an inquiry into the implications for the west coast of the closure of this very important refinery?

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, I would repeat that the Minister of Energy is extremely concerned about this issue.

Rest assured that he will do all that is necessary for every part of the country—the west coast, the Atlantic region, Quebec or Ontario—to receive its fair share from our programs. We will continue to do so equally, as we have in the past when we helped the west by eliminating the extremely disastrous National Energy Program.

Our government did that, in the interest of companies in western Canada and all Canadian consumers. We will continue to act in that way. Rest assured that we will consider the problem raised by the hon. member and that the minister will give an answer as soon as possible.

* * *

[*English*]

MUNICIPAL TAXATION

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, my question concerns the matter of grants in lieu of taxes to municipalities.

I believe it is unconscionable for any government not to pay for services rendered by any other order of government regardless of where it thinks it may be in the hierarchy of life.

The NDP government in Saskatchewan pays zero, naught, nothing for the services it receives from municipalities in Saskatchewan. This is the ultimate form of unfairness.

I fear that the the federal government may be inclined to be lured into this morass. It is my understanding that the minister has twice met with FCM to discuss the 77 per cent increase in cost.

In my city over the last five years we have illustrated some responsibility in that there has been a mere 8 per cent increase during that five-year period of time.

Can the minister tell me if it is the government's intent to approach this as a problem nationally or will it focus its efforts at abuse of municipalities, which I believe should be its thrust?

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Madam Speaker, we are aware of course that there are provinces that do not deal with grants in lieu of taxes in the same way we do federally.

There have been, and the member rightly points it out, unacceptable increases in the grants in lieu of taxes over the past number of years. In fact, it has nearly doubled over the last five years.

It is for that reason that the government took the responsible action of freezing grants in lieu of taxes. The objective of the department and the government is to be fair with not only the taxpayers of the country but with all municipalities across the country.

It is for that reason that we have met and continue to meet with the Federation of Municipalities. We will be working out a fairer way of dealing with grants in lieu of taxes. I can assure the member we are not planning to stop paying grants in lieu of taxes.

* * *

HEALTH CARE

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I direct my question in the absence of the Prime Minister to the Acting Prime Minister.

Two ministers of cabinet, now Tory leadership candidates including the minister of defence, say they will end universal medicare and impose user fees if they become Prime Minister.

Why does the Prime Minister not tell the minister of defence to defend medicare instead of defending the $5 billion helicopter program?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I think you will find that all members of this government defend medicare and want to assure that medicare is provided to every Canadian no matter what their status in life.

Ideas are being discussed now in the leadership race. This happens at leadership convention times. People want to know what individuals are looking at and considering for the future.

If the hon. member was fair to the minister of defence, he would have quoted her a little more accurately in what she was talking about. I think the record will show that the minister actually said that she would discuss this issue with the provincial governments.

I think that is what I saw on television. I believe that is what she said. I think the hon. member should be fair.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I direct my supplementary to the same minister.

The present minister of health defends medicare but the minister of defence and the Minister of the Environment are stabbing the minister of health in the back.

• (1200)

Can the Prime Minister tell the House once and for all whether the Tories believe in the Canada Health Act, in medicare, or is he like the minister of defence who believes that hospitals should check people's wallets before they check their pulse?

Why does the Prime Minister not fire the minister of defence and the Minister of the Environment from his cabinet or does he equally believe in killing medicare?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, that is such a foolish statement by the hon. member.

Let me just read for the record the exact quote of the Minister of National Defence: "There are disagreements over user fees. You know I am of the school, so for medical programs I am of the school of Benoit Bouchard". That is the current minister of health whom the hon. member just praised.

"I have talked to a lot of economists who specialize in this area and who do not think it is the most effective way." This is referring to user fees. "On the other hand it may be that provincial governments who administer the programs would have some latitude to decide how they are going to cover their costs. I want to sit down with the provinces and talk about it."

That is a far cry from what the hon. member who stood in this House said.

Routine Proceedings

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, my question is for the President of the Privy Council. If I may, I would like to take the opportunity to wish him well in his announced impending retirement, unless of course he pulls a Trudeau in which case all bets are off. It is some 30 years since we first met and I sincerely wish him well.

In June 1986, six and three-quarter years ago, the 33rd Parliament with all-party support passed the government's Bill C-45 and enacted the Parliamentary Employment and Staff Relations Act which, very simply, extended to workers on Parliament Hill the same basic rights to decent working conditions and health and safety laws enjoyed by all other federal employees.

Almost seven years and one election has passed since Royal Assent was given to part I. Still the cabinet has not proclaimed the operative sections part II and part III into law.

Will the government proclaim this important basic legislation before the end of this Parliament and just when will it act to end this obvious and continuing injustice to those who serve us in this place?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Madam Speaker, let me thank the hon. member for his compliments. Let me return them and let me take his question as notice.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to 44 petitions.

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

[*English*]

WAYS AND MEANS

EXCISE TAX ACT

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, pursuant to Standing Order 83(1), I wish to table a notice of Ways and Means motion to amend the Excise Tax Act, and I ask that an order of the day be designated for the consideration of the motion.

* * *

PUBLIC SERVICE SUPERANNUATION ACT

MEASURE TO AMEND

Mr. Eugène Bellemare (Carleton—Gloucester) moved for leave to introduce Bill C-428, an act to amend the Public Service Superannuation Act (annuity following job loss).

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Bellemare: Madam Speaker, I have the pleasure of submitting the following bill for first reading, entitled an act to amend the Public Service Superannuation Act.

The purpose of this bill is to amend the Public Service Superannuation Act in order to address the plight of federal public servants who lost their jobs since 1988 due to downsizing.

Currently a public servant who has reached the age of 55 and has at least 10 years of service and chooses a pension because he or she is a victim of downsizing is entitled to a full pension. However the same is not true for public servants between the ages of 50 years and 54 years. If pensioned they are penalized by 5 per cent a year until age 60 which means a 50 per cent reduction of their already minuscule pension. My bill would correct the situation by decreasing the 5 per cent a year reduction from age 60 to age 55. These public servants, many of whom cannot find employment, would then be able to receive 75 per cent of their minuscule pension instead of the present 50 per cent in face of the 1993 budget which calls for a further 16,500 public servant positions to be cut.

• (1205)

I hope that I will have the opportunity to debate this bill in the near future.

Madam Deputy Speaker: Mr. Bellemare moves the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

PETITIONS

UKRAINIAN REDRESS

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, pursuant to Standing Order 36, I rise today to present two petitions signed by constituents of mine. They humbly pray and hope that by way of this petition they can bring to light their concern regarding the Ukrainian redress on internment.

I present this petition on behalf of my constituents.

BOSNIA-HERCEGOVINA

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, I have a second petition containing hundreds of signatures of my constituents dealing with the absolute insanity of the war that currently is occurring in Bosnia-Hercegovina.

They hope, following five recommendations, that we can address this matter to rid society of this insanity.

GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I have a petition signed by many of my constituents in the national capital region.

These people would like to draw to the attention of the House that the goods and services tax credit is not available to independent, tax paying Canadians who are under the age of 19. Those constituents, as well as myself, believe that such exclusion is discriminatory.

Therefore, these petitioners call upon Parliament to urge the government to correct this injustice.

VIOLENCE

Mr. Rex Crawford (Kent): Madam Speaker, pursuant to Standing Order 36, I am proud to rise in the House and present a petition on behalf of the members of St. James Presbyterian Church, Chatham, Ontario who cannot stand the violence against women and children.

They humbly pray and call upon Parliament to accept legislation designed to eliminate violence against women and children, encourage and support women to report incidents of assault or abuse, provide assistance and support for women reporting assault or abuse, provide relief and support to women as mothers to protect their children, emphasize the need for abuser rehabilitation, concentrate special efforts on training of police, lawyers, court workers and judges to become knowledgeable about women and child abuse, and to focus public attention on this very important and long ignored problem.

FIRST NATIONS OF CANADA

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a number of petitions. The first petition relates to the designation of a day recognizing Canada's aboriginal inhabitants and to honour their native cultures. The date proposed is the 21st as the most appropriate day to recognize our First Nations.

The petitioners therefore call on the Parliament of Canada to enact Bill C-268, an act respecting a national solidarity day for the First Nations of Canada.

VIOLENCE AGAINST CHILDREN

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, my second petition relates to the problem of violence and sexual assaults against children. The petition was submitted in memory of Dawn Shaw, a little girl who was sexually assaulted and murdered in my riding some time ago.

The petitioners call on Parliament to recognize the following: That the present system of justice fails to protect our children in our communities who are becoming increasingly victims of sexual assault; that judges should not be allowed to drop sexual assault charges because of delays in bringing these cases to trial; that jail sentences for sexual assault offenders be lengthened for persons convicted; that the community interest should be protected by permitting police to take DNA samples from persons suspected of sexual assault and that DNA imprints of paedophiles and sex offenders be kept in a national police data base.

There are number of suggestions that are being made by the people both in the Comox valley and throughout Canada. Therefore residents of Canada, in memory of Dawn Shaw, request that Parliament enact legislation to change the justice system to provide greater protection

for children from sexual assault and to ensure conviction of offenders.

• (1210)

[*Translation*]

HIGH PRICE OF GAS

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, I have the pleasure of submitting a petition concerning the price of gas in the national capital region. As you are well aware, the price of gas in the Ottawa-Hull region is much higher than in Southern of Ontario, Toronto or Windsor.

Local residents find it unfair to be the victims of such a difference in the price of gas within a province and a region. The petitioners call upon the government to hold an inquiry in order to correct the situation.

[*English*]

GOODS AND SERVICES TAX

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, it is my honour and duty to present a petition on behalf of the citizens of Saskatoon, mostly university students, who have suggested that the GST being the first federal tax ever applied to books, magazines and newspapers, is affecting the reading at their level, and particularly university students.

Since the Prime Minister promised in October 1990 to review the effects of the GST on reading materials after one year, they call upon this Parliament to immediately eliminate tax on reading material.

CHRISTINE LAMONT AND DAVID SPENCER

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, I have a petition signed by many residents of Langley and Surrey, B.C. and also from some residents in my own riding in Coquitlam and Port Coquitlam, British Columbia.

It points out that two Canadians, Christine Lamont and David Spencer, are now virtually rotting in a Brazilian jail and that there is a real threat to their health and safety in prison. The only relief available is for Canada to request expulsion in accordance with Brazilian law. For some reason Canada has failed to do that.

Therefore the petitioners call upon Parliament to urge the Prime Minister to request the Government of Brazil to expel Christine Lamont and David Spencer and return them to Canada in accordance with Brazilian law.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, questions 421 and 485 will be answered today.

[*Text*]

Question No. 421—**Mr. Simmons:**

> With respect to the Atlantic Canada Opportunities Agency, what action has the government taken to resolve the problems as outlined in the 1991 Auditor General's report which cites "significant instances where officials have failed to adhere to the authorities governing the action program", concerning the (a) appropriation of funds (b) treatment of documents (c) evaluations of projects prior to their approval (d) terms and conditions under which the agency was created?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): With respect to the Atlantic Canada Opportunities Agency the government has taken the following action to resolve the problems outlined in the 1991 Auditor General's report:

(a) Appropriation of funds

The primary concern of the office of the Auditor General (OAG) was that the agency was advancing funds before commercial production was achieved. In this regard, the agency reviewed the policies relating to commercial production. It was found that the definition of the date of the commencement of commercial production requires 30 continuous days of production of marketable goods in commercial volume. This left no room for discretion and caused difficulties for seasonal operators and some small entrepreneurs. All references to this milestone date have been removed from the terms and conditions, but retained in the guidelines where the agency has sufficient authority to reasonably deal with problem situations. This amendment to the terms and

conditions of the action program was approved by Treasury Board on April 30, 1992 (TB 818236).

(b) Treatment of documents

The concern of the OAG related to two points:

1. Treatment of sector department advice.

The agency has reaffirmed the need for ACOA officers to document all correspondence with sector departments and to ensure that all concerns are addressed and resolved before further processing of an application. Verification of adherence to this procedure will be established as part of the quality assurance audit regime.

2. Treatment of substantive amendments

The agency's practice has been to define as substantive amendents those which increase the financial exposure of the federal government or could adversely affect the commercial viability of the project.

Using these criteria as a guide, a review of substantive and non-substantive amendments, as defined in section 400-1 delegation of authorities, policy and procedures manual, was conducted.

After careful consideration it has been determined that the listing of substantive amendments is appropriate and that no changes are warranted.

It is agreed that in the case identified by the OAG, the amendments to the project should have been considered as significant and therefore should have been approved by the minister. This is a case where the procedures were not applied properly and not a case where a policy change is warranted.

(c) Evaluations of projects prior to their approval

The primary concern of the OAG was that the agency did not conduct adequate evaluation of commercial viability before the project was approved.

In this regard the agency has initiated two steps:

1. The agency is in the process of implementing an automated financial analysis package. Financial and other indicators directly assessing the commercial viability of a project are an inherent part of this package. This will ensure quality and consistency in the evaluation of the applicant's financial situation.

2. A comprehensive training package for account managers has been designed and will be applied to 70 ACOA officers before fiscal year end. Among the topics covered will be the various evaluation criteria which have to be addressed before a project is approved.

(d) Terms and conditions under which the agency was created

The terms and conditions of the action program are under constant internal review and challenge, to ensure they reflect the best practice of combining protection of the public purse while promoting regional development.

As part of this effort, the agency recently completed a full evaluation of the action program. This evaluation included a detailed review of the impacts and effects of the terms and conditions and offered recommendations for improvements. The agency will be announcing the results of the evaluation in the near future and subsequently formulating an action plan to deal with the recommendations.

Related actions

The agency has improved systems, processes, and policies to address the OAG findings. However, the coverage by the OAG indicated cases where, although policy and prescribed procedure is satisfactory, there was non-compliance with the terms and conditions of the action program. To minimize the potential of such cases, the agency has taken the following two measures:

—Project monitoring

The agency has formed a project monitoring committee. This committee is developing the processes and policies for enhanced monitoring of agency projects. The committee will be submitting suggested improvements for subsequent inclusion in the monitoring practices within agency operations.

—Quality assurance audit regime

Audit branch is developing a quality assurance audit regime. By the 1992-93 year end, and annually thereafter, all regions will have been subjected to quality control audits. Adherence to the terms and conditions of agency programs will be the fundamental audit criteria. More specifically, the audits will ensure high quality in the account management. It should be noted that commercial viability, significant changes, commercial production and project monitoring will be an integral part of the quality assurance audits.

Further, this audit criteria will include the testing of project documents to ensure that projects are sufficiently evaluated prior to their approval.

Question No. 485—**Mr. Bellemare:**

With respect to the lease agreement regarding the Chambers buildings in Ottawa between the National Capital Commission and the firm chosen to upgrade and preserve the architectural heritage of the said buildings, (*a*) what tendering process was followed for that agreement (*b*) are there other kinds of tendering process that could have been used in this case and, if so, why were they not considered?

Hon. Elmer M. MacKay (Minister of Public Works): There are in fact two lease agreements between the National Capital Commission and Chambers Ottawa (1992) Inc. relating to the Chambers site. The first is a 66 year ground lease between the National Capital Commission as landlord, and its tenant Chambers Ottawa Inc., a corporation controlled by Pemik Enterprises Inc. and Le Groupe L.G.L. Ltée. The commission awarded the lease in 1987 on the basis of a two-stage proposal call process: a publicly advertised prequalification call, followed by a proposal call.

The tenant subsequently assigned its leasehold interest under the ground lease to Chambers Ottawa (1990) Inc., a corporation controlled by another of the original tenderers, Perez Bramalea Limited. The new tenant made a further assignment of its leasehold interest to Chambers Ottawa (1992) Inc., a corporation controlled by Perez Corporation and The Standard Life Assurance Company. These subsequent assignment were done in accordance with the terms of the ground lease. As indicated in NCC chairman's letters to the hon. member for Carleton-Gloucester dated November 2, 1992 and December 2, 1992, Chambers Ottawa (1992) Inc. approached the National Capital Commission in November 1991 with a proposal to provide head office accommodation to the commission at the Chambers site. While the commission was considering issuing a proposal call for its head office accommodation in the national capital region, it agreed to review the proposal submitted by Chambers Ottawa (1992) Inc.

The commission's consideration of the proposal was compatible with its mandate, given its responsibility for safeguarding federally designated heritage buildings. The commission was concerned about the possible ramifications to the project from the stagnation of the commercial leasing market, both in terms of the risk of delays and hence damage to the structures in question and the potential delay in receiving participation ground rent under the terms of the ground lease.

The Chambers site was found to be a desirable and justifiable head office location. However it became impossible to proceed by way of a public tender for the site's development due to the existing ground lease. After reviewing the proposal submitted and performing the necessary due diligence, the commission proceeded to enter into negotiations for a building lease with Chambers Ottawa (1992) Inc. on a sole source basis. The decision to proceed in this manner was taken only after a comparative analysis showed that the terms of the lease being proposed were competitive, given the heritage nature of the project and the terms of the ground lease in effect. This decision was endorsed by Treasury Board and received the approval of the Governor General in Council on July 23, 1992.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Charles A. Langlois (Parliamentary Secretary to Leader of the Government in the House of Commons and to Minister of National Defence): Madam Speaker, if question No. 454 could be made an order for return, that return would be tabled immediately.

Madam Deputy Speaker: The questions listed by the hon. parliamentary secretary have been answered. Is it the pleasure of the House that question No. 454 be deemed to have been made an order for return?

Some hon. members: Agreed.

[*Text*]

Question No. 454—**Mr. MacWilliam:**

For each year since November 1988, have any departments or agencies spent money or provided grants in the constituency of Okanagan—Shuswap and, if so, (*a*) by which department or agency (*b*) in what amounts (*c*) under which categories and programs was the money spent?

Return tabled.

[*Translation*]

Mr. Langlois: Madam Speaker, I would ask that the remaining questions be allowed to stand.

Madam Deputy Speaker: Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1993-94

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-117, an act to provide borrowing authority for the fiscal year beginning on April 1, 1993, be read the second time and referred to a legislative committee of the Economics envelope.

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, as I was saying before being interrupted at 11 a.m., I am pleased to participe in this debate on Bill C-117, an act to provide borrowing authority for the fiscal year beginning on April 1, 1993.

The Conservative government is asking Canadians through Parliament for authorization to borrow over $31 billion in order to meet certain expenditures. The Conservative government is responsible for the management of public funds. It wants our trust and the power to borrow over $31 billion, which is an enormous amount of money. Given the sad economic performance of this government during the past decade and its empty budget of this week, we have no other alternative but to say no.

The government claims to be borrowing the amount indicated in Bill C-117 to complete public works and for general purposes. This could mean just about anything. This amount is also roughly equivalent to the anticipated deficit of $32.6 billion for the 1993-94 fiscal year, in last Monday's budget. You can rest assured that if the Conservative government could it would ask us for even more money later to fill the void created by a deficit which is even greater than expected.

• (1215)

That has already happened in the past, that the government comes back for additional borrowing. We know very well that all the budget predictions which this government made in eight and a half years, nearly nine years, and even those in the last budget never came true. Fortunately that party has only a few months left in power, because in the next election the people will change the government.

I would like to take a closer look at the problem of the deficit and the debt. On May 23, 1985 when he presented his first budget, the then Minister of Finance said that if he did not attack the debt problem the Government of Canada would end up paralyzed. At that time the public debt was a little under $200 billion. To solve the debt problem, the Conservative minister proposed tough measures needed to reduce the deficit and thus reduce the growth in the debt.

Let us look at the result of nine years of "tough measures", as the minister called them. The public debt has risen from $200 billion to over $450 billion in just nine years. In other words, the government's measures more than doubled the national debt; that is, the Conservatives are responsible for creating more debt in nine years than all the debt created in the previous 117 years of Canada's history.

The then Minister of Finance said in 1984 that if the debt problem was not dealt with Canada would be paralyzed. Well, the minister was right because today, thanks to his unsound economic policies, the country is in an unparalleled economic slump. Instead of solving the problem of the deficit and the debt, the Conservatives only made it worse. The figures are there and we could talk for hours, days and even months and go over all the budgets the two Conservative ministers presented since 1984.

The government's economic policies were as ineffective in dealing with the problem of high unemployment as they were with the deficit and the debt. In 1984 the Minister of Finance told this House that his policies were meant to "break the vicious circle of unemployment and public debt".

Let us now look at the problem of high unemployment and its harmful effects. Today, Canada has about 1.6 million jobless, and that is just the official figure. I say official because those who have given up looking for a job are not counted as unemployed by Statistics Canada.

The Canadian Conference of Catholic Bishops believes that there are now nearly four million unemployed people, welfare recipients and others without work in Canada. According to the Conference, the fact that a quarter of the country's labour force is thus excluded from the labour market undermines society's moral

fibre. The bishops blame the economic policies of the last decade for this situation. High unemployment costs us dearly, also in terms of actual dollars and lost production, which is hard to estimate.

Let us take an example. Canada's Unemployment Insurance Plan costs employees and employers about $18 billion. If the unemployment rate were cut in half with job creation programs, $9 billion would be saved. Can you imagine what could be done with such an amount? To these $9 billion add another $6 billion that could be obtained if the government had the courage to cancel the purchase of 50 EH-101 helicopters.

It is an insult to our intelligence when candidates for the leadership of the Conservative Party tell us that they are concerned about the deficit. To solve the problem they say that all spending is on the table, even the universality of our social programs. We must be clear when we talk about social programs. Only one of them is still universal: health insurance. These people talk about abolishing the universality of medicare, a program which is the envy of the whole world.

• (1220)

Instead, why not put the purchase of these helicopters on hold? They are ready to eliminate the universality of Medicare, but they are not willing to give up the helicopter program. It is like buying a Cadillac without having the money to put gas in it.

There would be no limit to the problems which could be solved with a simple readjustment of priorities. Unfortunately, the priorities of this government are totally absurd. This government overlooks the human side of the situation. The first priority of a government should be the people. It may well be that such a priority would help alleviate the suffering in this country. If you want to see people suffering, come to Montreal. The poverty level is simply tragic!

According to Statistics Canada, Montreal breaks every record in terms of poverty for a metropolitan area. Indeed, 22 per cent of Montrealers live below poverty level. Twenty tons of food are now distributed each day in Montreal. What is even sadder is the fact that street children in Montreal know the same fate as those in Rio, according to a report from the World Health Organization. And then yesterday evening we learned that Air Canada intends to lay off 2,200 employees, bringing the total to 7,000 since 1990.

Will the Minister of Transport, who is also responsible for the Montreal region, examine the effects of his *laissez-faire* policy in Montreal? It used to be said that Montreal was a city with pride. Today, we say that it is the capital of poverty. Such is the sad reality of the Montreal region.

In my area, namely the east end of Montreal, the unemployment rate exceeds 25 per cent. Do you wonder why we refuse to support the government's decision to borrow over $31 billion? Its priorities are totally off. The government did not unveil any job creation program in last Monday's budget. It continues to make helicopters a priority instead of people.

This government showed nothing but economic inertia over the last decade. It has failed miserably. That is why we will vote against Bill C-117. We will vote against this government's budget policy and the people of Canada will vote against this inhuman and incompetent party in the next election.

The budget tabled last Monday is a disgrace. It brings nothing new and, what is worse, the Minister of Finance has given in to the prospect of a jobless recovery. If a small business had handed the same kind of budget to its bank manager he would have cut its credit and rejected any loan application.

There is nothing in this budget. Worst of all, this creative bookkeeping has been going on for years. It started with source deductions. They increased the frequency of source deductions to twice a month so that they could show a lower deficit at the end of the fiscal year. They used the same system for the federal sales tax rebate.

I clearly recall that when questioned on its GST policy and its impact on the poor and the old, the government answered: "We have a program whereby we will send them a cheque every three months." This was meant to compensate them for an unfair regressive tax they would have to pay on consumer goods.

And now, the government announced in Monday's budget that they will no longer get four cheques a year but just two, starting in January 1994. Why not immediately? If these programs save as much money as the government claims, why not apply this measure to the next two payments? First, because with an election coming they are afraid that the people will speak their minds about this government and send it off to collect UI benefits. Also, the first payment will be due in January

1994, and the second would be due in April under the old quarterly payment system but its fiscal year ends March 31. So, what does this government do? It starts by eliminating one payment of the GST tax refund to the needy and uses an accounting trick. This way it can predict that by March 31, 1994 the deficit will have been reduced. There will be no real reduction because the same cheques for the same total amount will have to be sent out during the first week of April, but it will be a new fiscal year by then.

• (1225)

That is how this government has always got around the debt and deficit problem, by increasing our taxes. This needs to be said. A report published this week says that Canadians have seen their taxes increase by 25 per cent since this government took office. That is a 25 per cent tax increase. That is where we are at. That is the present situation. We had a projected annual deficit of about $32 or $33 billion, with a national debt of about $180 billion. But even with a 25 per cent increase in taxes the debt has now grown to more than $450 billion, while the deficit remained at the same level. That is what the Tories' economic policies have done.

I remember in 1983 when the present Minister of Trade who was finance critic at the time said that tax increases would completely stop economic growth. But this Finance Minister has increased taxes more than any other in the history of our country. This is where the Tories have led us after nine years in power.

One other thing. There is nothing in this budget for our young people. What does this government do for our youth? What hope does it give them to find a job after graduating? No jobs are created, thus there are none for young Canadians. Each time we bring up the issue of drop-outs we are told this is in provincial jurisdiction. Why would they pursue their education to be better equipped for the future when they see their brothers, sisters, cousins and neighbours make sacrifices to get an education but find no job when they graduate? That is the situation this government has created over the past nine years. It has doubled, almost tripled the debt. The deficit has remained unchanged. Taxes have been increased on 32 occasions. It has implemented the GST which not only slowed down the economy, but forced a big part of it underground. That is why our young people are discouraged and the future is uncertain.

I have not spoken of the famous free trade deal yet. During the 1988 election campaign, we were told it would bring prosperity. Canada would be open to the whole world, which would bring prosperity to all Canadians. Today we see plants closing and companies moving south where they will continue to sell us their products, maintaining their sales while we are losing jobs in Canada.

Unfortunately, this government cannot be given carte blanche to go out and borrow $31 billion without some reckoning as any good manager would be called on to give. The forecasts the Minister of Finance provided us on Monday are neither realistic nor logical and they continue to lead the country in the wrong direction. Unless we change course, we will have the Cadillac of helicopters but no money to buy fuel to run them.

• (1230)

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I have a brief question for my hon. friend.

I could debate with him, as some in the House would say, *ad nauseam* about some of the facts and figures he brought out. In his statement today he said to the Minister of Finance that the projections in his budget are wrong.

They are very conservative projections compared to those coming from all the economic organizations both within Canada and outside Canada, including the International Monetary Fund and the OECD. My hon. friend knows his government previously and our government now adhere to those projections.

He says they are wrong. Would he stand up in the House and tell the Canadian people what the Liberal Party's projections are and lay them on the table? If he is accusing the projections of the Minister of Finance of being wrong, and they are conservative compared to the International Monetary Fund, the OECD, the financial

institutions and think tanks in Canada, then what are his projections?

If the Liberal Party is going to accuse a person of being wrong, it had better come up with its own figures.

Mr. Gagliano: Madam Speaker, the minister is giving me a golden opportunity to say what I did not have the time to say during my allowed time in debate. I thank him.

Do I have any proof? I have nine years and nine budgets. In 1989 the government projected that we would have a deficit of $15 billion today and we have a deficit of $36 billion. The projections on the deficit were wrong in every budget. The projections on the national debt were wrong. The projections on job creation were wrong. In nine years we have never had one projection that was right. Why?

He wants to know what the projections of the Official Opposition, the Liberal Party of Canada, would be. I would be glad to tell the hon. minister if he would open the books to me.

Mr. McDermid: All the books are open.

Mr. Gagliano: What books? How can he expect the opposition party to make projections when everything is closed?

I think my leader stated clearly how we would reduce the deficit and the debt. We would do it with a comprehensive policy, not just with simple cuts but by having a monetary policy, a fiscal policy and a growth policy so when Canadians work they earn money and pay tax.

This government had only one policy. It wanted to reduce inflation to zero. It froze all the economy's activity and with the little bit left from the GST it is on the ground. The government is bankrupt because it is not collecting taxes any more.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, before I begin my comments on Bill C-117, an act to provide borrowing authority, I would like to congratulate my colleague from Saint-Léonard who was able to outline the real problems both during his speech and in response to the minister thanks to his thorough knowledge of this issue.

Bill C-117 has to do with the Financial Administration Act.

Madam Deputy Speaker: Is the hon. member rising on questions and comments or on debate?

Mr. Assad: On debate, Madam Speaker.

Madam Deputy Speaker: I wanted to make sure no other member was rising on questions and comments. Debate. The hon. member for Gatineau—La Lièvre has the floor.

Mr. Assad: Madam Speaker, Bill C-117 is an act to provide borrowing authority for the fiscal year beginning on April 1, 1993 and it deals with the Financial Administration Act.

Over the last few months we heard a lot about the deficit and the damage it spells for our economy.

• (1235)

I certainly do not want to trivialize the fact. Of course the deficit must be kept under control. Common sense tells us we cannot let the deficit get out of control. However, the way this government has been managing the deficit leaves much to be desired.

Some time ago, I was listening to CBC radio, and a professor of economics at Saint John's University in Manitoba was talking about the deficit. After hearing some very interesting comments by Professor Reuben Carl Bellan, I managed to get his home telephone number and we talked for about fifteen minutes about what he said on the radio. Later, I read an article in the paper.

Professor Bellan made it clear that the deficit must be properly managed. He argued that today Canada issues bonds to finance the deficit. It borrows money on the bond market. In recent years, many bonds were purchased by Germany, Japan, the United States, Sweden and other countries. I don't know the exact figures, but we are talking about billions of dollars coming in to be used to cover Canada's deficit.

According to Professor Bellan, that was a mistake, because in Japan, for instance, the government does not allow financing of domestic debt with foreign funds. Japan has an enormous deficit, but it is financed only by the Japanese. No American, Canadian or German funds are being used to finance Japan's deficit.

Professor Bellan argued as follows: Why does Canada allow non-Canadians to buy Government of Canada bonds? It should keep transactions in Government of Canada bonds in Canada, to be made by Canadians, because Canadians buy Canadian products and pay taxes in Canada. The Japanese, Germans, British or Americans who buy Government of Canada bonds do not pay taxes in Canada. His point was that when these funds come from outside the country, we have a real debt.

Let me explain. It would be fine if foreign funds were used to finance infrastructures or were invested in our industry, to make it more productive and more efficient. But that is not the case. This foreign money is largely used to finance our deficit.

Professor Bellan went on to talk about the time between 1939 and 1945, when we were at war. Obviously we had to defeat the Nazis. Canada had to mobilize vast numbers of people across the country. Considering Canada's population that was a formidable undertaking. In 1944 and early 1945 Canada's cumulative deficit was $18 billion. Not impressive, compared with today's figures. However, when we consider the value of the current dollar, our gross domestic product and our ability to pay, $18 billion was just as bad as today's cumulative deficit of $460 billion. In fact, we were in worse shape as far as our ability to pay was concerned. In other words, at the time it was harder to pay back $18 billion than it is to pay back the federal government's $460 billion deficit today. How did we do it?

• (1240)

According to Professor Bellan, in 1944-45 economists were very pessimistic about the post-war period. Canada would be debt-ridden. We would all be dressed in rags and live in shacks. They painted a horrific picture. However, we went on to a period of unprecedented prosperity. Their predictions were all wrong. However, economists have always been better at explaining their own mistakes than predicting the future. We have to remember that.

Professor Bellan made another interesting point. From 1939 to 1945 when Canada's deficit was even worse in real terms than it is today, who financed the deficit? Canadians did. Obviously it was not the Germans who financed Canada's debt during the war in 1939-1945. Canadians financed the deficit by purchasing Victory Bonds.

I suppose we could ask this professor from Manitoba, and someone did: What if Canadians don't have enough money to finance the debt? Good question. We do have enough money. Today, Canadians have more than $300 billion in Canadian banks, ten times as much as this year's deficit.

Canadians have the money, and this government must start by financing its debt with money from within our money. When Canadian money is used to pay off the debt it does not have the same impact as when foreign money is used. I think this is just common sense and I think that perspective could be used for all our problems. It may be one of the alternatives we have today.

It is often said that the government creates jobs. Some people agree and others do not. I tend to disagree. Let me explain. Under our democratic system the government has the power to raise taxes and pass laws. Those are the two most important powers it has in a democratic society. It can raise taxes and adopt legislation through Parliament. If a government has these two fundamental instruments in a society like ours it does not have to intervene in any other sector.

Crown corporations may have been necessary in the past but I think they no longer are today. Personally I think the government's role and I know there are others who share my opinion, is to ensure that laws are just, that the tax system is fair and equitable—which is not the case here in Canada—and that programs and policies are sensible and necessary, which is not always the case either in Canada today.

We do not want any frills. We want the government to provide for programs that meet the needs of Canadians. Those programs are badly needed.

When we hear people say the government is going to create jobs we have every reason to be suspicious. However, the government can create a climate of confidence. It is absolutely necessary if we want Canadians to invest in their country. If we want to have foreign investment investors must be assured of a climate of confidence in Canada, that we have hope and are moving forward.

• (1245)

How can the government achieve this? It is very easy. It must ensure that the tax system is fair and equitable—this is basic, especially in a democratic society like ours. At the present time, it must be said that the middle class is paying more than its share. I have said that many times and I repeat it again. When will we admit in this House that the middle class pays more than its share and that this cannot continue? We need a thorough reform to change this state of affairs.

I just spoke about our accumulated deficit and I added that Canadians alone should pay for the deficit. When I look at what other countries do, I ask myself some questions. When I see that other countries can reform their tax system, like New Zealand, and when I see the tax rate on big multinationals in Germany and Japan, I wonder whether Canada could not do the same. Are we more stupid than they? Can we not find ways to assure all Canadians that we are making a very sincere attempt to correct this shortcoming, that other countries have been able to get back on track by making reforms and that they have gained others' confidence? I think that is basic and we must use common sense. That is all Canadians ask and that is what we must work on.

Let us talk about social programs now. Oh, I have read many times that our social programs are too costly; the big multinationals are always saying that. However, the figures show the contrary. I called the Auditor General, who sent representatives to my office because I wanted to study what has happened to the federal government's budget and deficit since 1972. Yes, social programs are important, but they did not contribute as much to the deficit as some would have us believe.

The accumulated deficit is $460 billion, but social programs account for barely 6 per cent of that. They are not what hurt our economy the most. Social programs as such are not responsible for the deficit.

I believe that I speak for the great majority of Canadians when I say that health insurance is one of the most important assets in our society. Medicare started in Saskatchewan and those responsible for this plan are to be congratulated.

Even for me, a citizen of Canada from Quebec, health insurance is one of the programs that I am the most proud of and it should never be attacked. It can be modified and user fees can be charged. We must not be afraid of change, but it must continue to provide all Canadians with the medical care they need. This program is absolutely necessary and it must never be called into question.

Other social programs, like the old age pension, are a source of pride for our country. I wonder if many Canadians realize that the United States, the richest country in the world—or one of the richest, because we must not forget Japan and Germany—has no old age pension.

• (1250)

This shows that our priorities are different from the Americans'. We are not criticizing them, far from it, but when we look at what we have built together here in Canada, what is our basic philosophy? We are our brother's (and our sister's) keeper. That is healthy and right and good for our country. If my neighbour needs help or medical care, he is entitled to receive it. Is there anything more wonderful in our country than that? Is there anything more wonderful than an unemployed person being able to collect unemployment insurance, when you think about it? Yes, there is abuse, but that is human behaviour. We know that, you and I. Perhaps over time, with more civic mindedness, people will realize that social programs should never be abused. We may not be at that point yet but it is coming, I am convinced.

We hear a lot about the deficit as though it were a bogeyman. I do not want to trivialize the deficit; it is serious. But as I said, corrective action can be taken, funding to begin with, and perhaps also an analysis of present programs. Certainly some programs and policies are out of date and need to be changed. We must not be afraid of change; we need political will. A government with political will can work miracles, I am not exaggerating. But without this conviction and this political will nothing is possible. We waste our effort by finding all sorts of excuses and rationalizing the errors and disadvantages of the various options.

Unfortunately my time is nearly up, but in the few minutes available to me, I would like to talk about youth. All my colleagues in this House are aware that there is a deep unease among our youth. I am convinced that there are answers to it, and I did not invent them, far from it. What we need is a national training service. I am not talking about a military service at all; there is no military connotation. I am talking about a national training service in co-operation with the provinces. This kind of program has been very successful in Germany, a tremen-

dous success. I have documentation in my office and I have gone over it.

Here in Canada, occupational training may be one of the solutions for our youth. Personally, I know that if young people were given training for up to two years in a trade school and given technical knowledge we could greatly reduce youth unemployment and give young people hope. That is fundamental. Think of these young Canadians, be they 16, 26 or 27 years old, whatever, who are no longer in high school, who did not finish secondary school, who have no trade and no technical skill, who are on unemployment insurance or not working. You know as well as I do that they have no future. A national training service would be a solution for them.

At the present time more than 300,000 jobs in Canada are unfilled because these jobs need technical knowledge, basic knowledge of the industry or high technology. University diplomas are not at all required but rather technical schools, apprenticeships, trade schools that will help our young people overcome their difficulties.

In conclusion, Mr. Speaker, I thank you for your patience. I repeat, there are solutions. Above all, it takes courage to face the real problems and then to have the political will to go ahead and make the required changes, whatever the cost. It is for the good of our country and of every province and community, for the good of our neighbours on the right and on the left and across the way.

• (1255)

[*English*]

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I cannot find much in my colleague's remarks to disagree with. I particularly appreciate the tone he is putting on his remarks.

I want to ask a question with a little variation from those remarks. After nine budgets, a series of nine projections about what was going to happen and nine projections which were proved wrong, does my colleague feel comfortable with the projections being made in this particular budget in relation to where we are going and what has to be done or what is going to be done?

We have had nine budgets where the deficit was going to be cut. We were going to deal with the debt back in 1984. We were going to solve it in four years back in 1988. We were going to solve it in a couple of years. It is nine years later and we still have not solved it.

Does this member feel comfortable with the projections that were put into this last budget?

[*Translation*]

Mr. Assad: Mr. Speaker, regarding the projections in last Monday's budget the member asked if I were confident that we were heading in the right direction. I have the feeling that we are going nowhere. As I said even before it was brought down, I see in that budget a stand-pat budget. Because of the coming leadership convention the budget contains of course a lot of wishful thinking to the effect that the future is rosy and that things will get better. I am not convinced, because what we need as I mentioned before are actions and a political will. There is none of that in the budget.

They may have tried to introduce a few restrictions, but above all they are waiting for the new leader to be chosen because the new leader, male or female, will need some latitude to make decisions. Projections were wrong in the last eight or nine budgets. To err is human, but when it comes from a national government that is entrusted with the population's well-being, to be wrong eight times out of nine or nine out of nine is not a very inspiring record.

In answer to his question I would say people have lost confidence, and I think that polls do reflect how Canadians are feeling. They do not trust the government anymore. The member is right; how could you have confidence? That is the reason I am saying that as long as you have no political will, no courage to face up to the real problems, you are going nowhere.

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the hon. member delivered

a very thought-provoking speech today and I it. I do not necessarily agree with everything he said but I enjoyed it.

I want to ask him about projections because that is exactly what they are. They are projections. They are made by economic organizations; institutions such as banks and trust companies; think tanks such as the C. D. Howe Institute and so on. In discussing the projections that have been made he is condemning the government for being way off in nine years, which is not accurate.

If the hon. member took time to take a look at the projections and the results I think he would find that the Minister of Finance was fairly accurate with his projections up until the recession. As a matter of fact he projected a deficit in a couple of years which was less than he had projected.

In the February 1992 budget the projections that were made by the Government of Canada were again less than what was made by the economic think tanks and the organizations within and outside Canada. The growth did not happen in the world as all those who consider this had projected, including the Government of Canada.

• (1300)

The Government of Canada's projections have been far more conservative than was a compilation of all the projections by other organizations.

I want to ask the hon. member if it is really fair for him to make that judgment when everyone made the same miscalculation at the time? It really has nothing to do with the Department of Finance or the Minister of Finance. He no more than the hon. member, his leader, or the IMF has a crystal ball, and things happen.

The hon. member knows full well that the budget deficit projections, which have been off, took place during the recessionary period. They were based on those projections where everybody was wrong.

In fairness, would the hon. member agree that it was not only the Government of Canada that had projections which did not become factual but everyone else as well throughout the world that made those projections? Every government throughout the world faces the same problems this government has faced because of the lack of growth in the world community.

Mr. Assad: Mr. Speaker, let us assume that I go along with the argument the hon. member made concerning projections.

I realize that the government needs the help of the business community, economists and all the rest of them. Nevertheless I feel that when the deficits were growing through the years and some of the projections were off it did not mean he had to fire the economists in his department.

I know the whims of international prosperity. It is not a cut and dried situation. I think some measures could have been taken by the Minister of Finance such as I gave in my speech about Professor Bellan from Manitoba.

I thought that financing our deficit from within Canada would have been a tremendous measure.

Mr. McDermid: Do you agree with that?

Mr. Assad: I agree partly with what you gave.

Mr. McDermid: With what the professor says?

Mr. Assad: That the debt should be financed within Canada? Yes, I am convinced that is what it is about.

Mr. McDermid: So there is no money left for mortgages.

Mr. Assad: I know the minister's line of thought. He gave examples from the past, such as the period of 1939-45. I have mentioned that there are tremendous amounts of money in deposits. I am convinced we can finance it within our own country.

If we are going to have money from outside it should be invested in capital expenditures to make our industry more productive. Neither he nor I have the complete monopoly on the truth. Admire everybody who is seeking the truth but beware he who says he has it.

Mr. McDermid: Mr. Speaker, I am not professing that at all. The hon. member knows that. What I am saying is just to be fair when we are making these criticisms and when we talk about other things.

I am interested in the professor's comments because that was a part of the speech I found rather fascinating. He talks about $300 billion in savings accounts throughout Canada.

By the way, that money is not just sitting in savings accounts not doing anything. That money is being loaned

out by the financial institutions for mortgages. It is being loaned out for businesses. It is being loaned out to create employment and so on. If all the money that was borrowed by the provincial and federal governments was funded from within Canada then that would take away from mortgages and from business investment and so on. It would leave less for that.

1939 to 1945 was a war period when a great number of the countries of the world who are now our allies were our enemies. Then we were talking about far less cost, a far less complicated society and a far less technical society than we have today.

His comparisons are a little unfair. I would challenge the professor to a debate on that. I would find that very interesting. The ideal would be that we finance all our debts but all levels of government do this. For example the Ontario government's last issue was an entirely foreign one. That goes on today not only with our governments but with other governments around the world.

• (1305)

Does the member not agree that if we took those savings, which are being used for other things, it could be detrimental to our economy?

Mr. Assad: Mr. Speaker, the member mentioned that maybe he would like to debate Professor Bellan on the subject. We would all probably welcome the debate going outside this House on this subject. However I remain convinced, and he has convinced me, that Canadians have the capability to finance the deficit along with other needs in our country.

Do not forget that we have tremendous pension funds in this country. The banks have tremendous lending power. Some banks, I will not say they can create money, but they can lend tremendous amounts of money. I am not saying it is an artificial means but they sometimes lend more than what they have in deposits.

I am convinced that we can finance our government operations completely from within our own country.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, in addressing the borrowing authority matter before us there are a number of comments I want to make concerning four specific areas of government activity or the lack of government activity. I want to preface those with a few general comments about the economic direction, or lack of it, which this government has imposed on Parliament and the people of Canada.

The government is very fond of referring to these times as recessionary times. It is my opinion and that of many others across Canada that this has not been a recession like the others. In fact it is open to some question as to whether the term recession has been appropriate at all.

What we have been experiencing for the last number of years, particularly since 1988, is more like a major structural implosion which has been exacerbated by the fall-out of the free trade agreement between Canada and the United States and some of its implications, and looking ahead to the psychology taking root because of the impending North American free trade agreement.

These and other actions have caused a major "restructuring" which has destroyed much of our manufacturing industry base, particularly in the provinces of Quebec and Ontario, but also in areas of the lower mainland of British Columbia, those areas that were in the lead in terms of a Canadian manufacturing industry and a resource-based processing industry.

To term that kind of basic restructuring, which has seen not just large-scale lay-offs but large-scale terminations and the creation of rust belts in Quebec and Ontario and other manufacturing and industrial areas, a recession is false. Many of those jobs will not come back.

We recognize that the world is changing and that the global marketplace has different dynamics than it had at one time. However those have been added to by the very kinds of actions that this government in Canada has taken.

Moving from that very general statement, when we look at the so-called economic planning of this government since it was first elected in 1984, and its constant hyping and high-frequency alarms about debt and deficits, some of them justified, that have been constantly forthcoming from the government, particularly from its finance ministers, what have we found?

• (1310)

The over-all debt picture of Canada has been getting worse and worse despite the efforts of this government. While it says with some braggadocio that the percentage of debt as related to the GDP is somehow better or our annual deficit positions are better its projections have constantly been way out. It has been deficit and debt reduction on the never—never plan.

We see almost exactly the same annual deficits now that we saw when this government was first elected in 1984, even with the rather profligate spending versus revenue generation policies of the Trudeau government that preceded it. It has been totally out of whack but it keeps saying things are looking up.

When one is flat on one's back even the bottom rung of the ladder looks high. That is about the only way that one can put any optimism into the economic scenario and the debt and deficit scenario that surrounds all of us, not only the federal government but those provincial governments who have been further encumbered by the cutbacks and the offloading that this federal government has participated in.

I am not going to suggest that it has done that with glee for it has certainly gone to great pains to disclaim its share of the responsibility for the difficulties that many provinces are having.

I would suggest that one of the irresponsible results of that action has been the drastic increase in our foreign debt, which is much more harmful to our long-term planning in this country than the domestic debt. The debts and deficits we had prior to this government taking office in 1984 were largely domestic.

Almost every economist would agree that we are in a much more serious situation as a result of a far higher percentage of our national and provincial debts being owed on the foreign market rather than within Canada's borders.

I said when I began that I specifically wanted to refer to four particular items that both my region and my industry, the forest industry, views with some alarm.

First of all, I want to go back to 1983 and then to 1984 and examine what at that point was the thrust of the former federal government and this federal government with regard to the forest industry, intensive silviculture and paving the way for what we hoped would be a healthier and more dynamic forestry sector. After all it is the major contributor to our balance of payments situation on the plus side and has its roots in every part of Canada in some 300 communities.

I think Mr. Roberts was the minister in the Trudeau government in 1983 when we had the first federal-provincial agreement on funding of intensive forestry and silviculture between the forestry provinces and the federal government.

In the case of British Columbia that worked out to $55 million a year from the federal government, for that one year, and $55 million from the province of British Columbia. It was a good start but it was short term and the government changed.

It was one of the best things this government had done, even though on an annual basis there was a slightly smaller commitment. It dropped from $55 million a year to $50 million a year in the case of British Columbia.

With extensive negotiations they established three-year and five-year forestry agreements between the federal government and the provinces that allowed for some long-term planning and some good co-ordination. It was far more cost effective, there was far more bang for the buck, and it did far more for the forest industry across this country in restocking some of the areas that had been left lying dormant for far too long and beginning to use some of the new technologies in terms of intensive silviculture and practices such as thinning, pruning, fertilization, and many other areas that had long been missing from what had been one of our most vital industries. Starting in 1983 for the first time but especially after this government took office in 1984, we saw some rational planning and significant commitment to that sector in a way that counted. All of us with emotional and financial roots in that industry were very happy to see that take place.

• (1315)

My party and I certainly recognize that forestry falls essentially within provincial jurisdiction, but federal governments for decades have derived large revenues from that industry. Many of us, including the government, I suspect, but certainly the Minister of Forestry when that ministry was established during the years of this government felt that it was long past the time that

some of those revenues the federal government had been receiving for decades ought to be ploughed back into that sector. I give him full credit for the part he and his colleagues played in that.

Having that in mind, I was particularly saddened just the other day to hear the federal government, using the excuse of provincial jurisdiction, say that it was getting out. A great deal still has to be done, particularly at a time when we finally have some provincial governments trying to resolve with a great deal of difficulty some of the very emotional and hard nut cases of conflict over resource versus environment and other types of priorities for our forest lands.

The federal government is withdrawing from an area which everybody on both sides of those controversies and anybody connected with forestry agrees is a vital priority. One way we can try to get some of the heat of these arguments subdued is by renewing our commitment to a healthy and vital industry in which we can expect those resources to renew themselves with our assistance. Therefore, I regret that very much and hope the next government of whatever stripe will review that decision and renew what has been our commitment for the last few years to the health of that industry.

Related to that is another item which I raised briefly this morning. It has to do with the issue of tree spiking and the reluctance so far of the federal government to move in a serious way to impose penalties on those eco-terrorists. They threaten the lives of woodworkers whose job it is, whether they are in saw mills or loggers in the bush mainly on public lands and public property, to harvest our forest resource.

In saying that I recognize there are serious and in many cases valid differences of opinion as to what lands ought to be used industrially and what lands ought to be used for wildlife or other preservation or recreational opportunities. However, tree spiking is dangerous to life and is totally irresponsible. Everybody from the forest industry, the mainstream environmental organizations, government, labour and industry, agrees. For example, there is the kind of eco-terrorism Paul Watson was preaching by suggesting that some 20,000 trees in the Clayoquot Sound area had been spiked. We found evidence as early as last November that many of them had been and he can get away with it.

One province, British Columbia, has legislation that tries to come to grips with that and has named it as a serious offence. Reports were emanating from the B.C. Forestry Alliance and the Council of Forest Industries that the former Minister of Justice in this House had a team working on drafting amendments to the Criminal Code to specify tree spiking as a serious criminal offence. I currently have a private member's motion on the Order Paper dealing with that same issue in that same way and asking for minimum two-year sentences for those who counsel, incite or engage in tree spiking.

It is important. We have to send a clear message that that kind of terrorism, whether it is the spiking of trees or putting bombs in mailboxes, whatever kind of terrorism we are dealing with will not be tolerated and that is the will of this place.

• (1320)

I urge Department of Justice officials and the new justice minister to so act as soon as possible. At least declare that is the intention of the government. Hopefully we can find the time to do it before this Parliament is ended, but at least declare we are moving in that direction.

I briefly want to mention, another area in the economic and fiscal statement of last December it was stated:

> Funding of up to $90 million will be made available for projects to relieve critical bottlenecks and improve safety on highly travelled federal highways in national parks in British Columbia and Alberta. These highways are essential components of major east-west transportation corridors which are key to commerce, industry, tourism and personal travel in western Canada.

That is also a public safety issue. For years the city of Revelstoke, many others from that region and I have been urging the federal government to do some widening of the Trans-Canada Highway particularly in and around Glacier National Park with the amount of extra freight and long supertrucks on our highways. Tourist traffic has also increased by the fact that they cannot travel on VIA Rail anymore and this has only added to the congestion on those highways. It is a danger to public safety. I urge the government to ensure that there is not a political bias in terms of which national parks get that funding. Whether we are New Democrats or Tories or

whatever, if we die on a crowded highway that is burdened with heavy freight traffic we are dead.

I urge the government to move in that direction and to make that program fair. We are happy to see it. Let us make it fair; let us save lives. While that is being done some of the park maintenance budgets should be increased. Then other park services would not have to be robbed to provide minimum safety and equipment to the Parks Canada highway crews whose job it is to keep what highways we do have safe for public travel.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, it is a pleasure for me to rise today on Bill C-117. It is curious that at the start of a brand new fiscal year the government is seeking permission to borrow $31 billion.

[*Translation*]

Once again the Minister of Finance measured up to the standards of his government by bringing in a budget that does nothing to boost the economy or wipe out poverty by introducing a job creation policy.

The number of food banks in this country has increased from one in 1981 to 126 in 1988 and 292 in 1991. In the past two years, food banks have become common on campuses across Canada. Statistics Canada reported a 53 per cent increase in requests for help from food banks. In 1990, two million Canadians, including 700,000 children, had to receive assistance from food banks at least once.

What a coincidence! The Tory government has been in power since 1984.

[*English*]

This time the government prepared everyone for major cuts. We were expecting the axe to fall. Canadians were ready to swallow the pill but at the last moment the finance minister backed out.

What is bleak in Canada is that our ability to respond appears quite timid. We do not seem to have the will to build the kind of support framework that will be required. In the 1970s we led a government that cared about the people, a government that cared about the future and about the lives of individual Canadians.

In 1993 there are voices suggesting that Canada be dropped from the G-7. Do you know why? Under the direction of this government our economy has shrunk to a level lower than Spain's. We are gradually losing economic clout in this world, all under the direction of the Conservatives.

The early statistics paint a very grim picture indeed. Every year this government seems to forget what is important. This is a budget of despair and nowhere does the Minister of Finance offer Canadians a light at the end of the tunnel. Nowhere in this budget does the government address the issue of jobs. Nowhere do the Conservatives even mention the need to get Canadians back to work, to get the economy going so that fewer people will rely on government hand-outs.

• (1325)

[*Translation*]

To quote the Leader of the Liberal party, the Minister of Finance has brought down a budget that reflects the state of the Conservative party. It has no strength, no design and no plan. The Conservative government is on its last leg and is more concerned with being re-elected then looking after the well-being of Canadians.

Once again, Canadians are being forced to make way for the political interests of a privileged few. This budget does absolutely nothing to reduce the deficit: a few minor cuts, when everyone was prepared to make sacrifices, to get rid of an increasingly crushing debt. Now we are asked to consider a bill that will let them borrow even more.

The government did not have the guts to face facts and act accordingly. Its credit card is worthless and may be withdrawn pretty soon. There is nothing in the budget to get the economy back on track and put Canadians back to work. Unemployment is up to 11 per cent, which does not include Canadians who are no longer looking for work. This is the worst performance of any G-7 country.

To make us feel better, the Minister of Finance said that in 1994 unemployment would be only 10 per cent. That's great. I am sure university graduates, young professionals and others who either cannot find jobs or have been told their jobs have been cut were impressed.

Where is the country headed with this government? So far, it has been headed straight for disaster. It is high time changes were made.

[*English*]

This government continues to neglect the policies that would help Canada compete. We need long-term investment in our human resources. This budget has no plans to increase investments in education, training, retraining, numeracy or literacy. The Conservatives do not even reaffirm their commitment to their centres of excellence.

One has to wonder if they care about Canadians' welfare or if they are simply letting the country fall apart while the Prime Minister is spending millions of taxpayers' dollars to travel around Europe, beating the bush for a high-paying job. I am sure the Prime Minister will not have any Canadians listed as references on his resumé. I doubt anyone would give him one after what he and the Conservative Party have done to this country.

We in the Liberal Party called for programs to boost our manufacturing and natural resources sectors, a manufacturing productivity centre which would assist small and medium sized Canadian firms get more value added and more high-paying jobs out of our natural resource sector. Of course these practical programs aimed at giving Canadian firms an edge over their competitors were not addressed in this budget. Could it be because Conservatives do not know how to deal with the Liberal Party's positive suggestions?

The Minister of Finance kept repeating the phrase that there is only one taxpayer. We know this. For those of us who served on city councils we know very well the reaction of taxpayers when we are forced to increase the rates because of cuts in transfers.

Since the Conservatives have been in power they have shirked their responsibility. They have passed the buck to the provinces to pick up the slack to finance programs such as health care, education and housing. When the Conservatives cut transfers they are forcing other levels of government to do their dirty work for them.

[*Translation*]

What about the government's housing initiative? Some initiative. The federal government will not increase its support for social housing through Canada Mortgage and Housing Corporation and will no longer fund housing through 35-year subsidy commitments.

It also expects to save $600 million over five years.

• (1330)

Fortunately, funding for shelters, native housing on reserves and the integration of persons with disabilities will continue. Unfortunately, that is not enough.

The fact is that before the cuts in CMHC's social housing budget these projects reached only 6 per cent of the population. Today 15 per cent of Canadians need this kind of housing—one million Canadians—and the demand for this kind of housing is growing steadily. Is this government aware of the real needs of Canadians? Sometimes it seems so oblivious to the social and economic situation in this country that you wonder whether it is living on the same planet.

[*English*]

The government is also cutting back on the frequency it sends out the GST rebate cheques. So far seniors and other people with low incomes look forward to receiving their rebate cheques in order to help make ends meet. Seniors benefit from the cheques as they put them in the bank and any interest they gain helps offset the cost of the GST.

By cutting back from four cheques to two a year the Conservatives are simply picking the pockets of seniors for the spare change they will get from interest on the GST rebate cheques. It is just another example of how the government fails to understand the true needs of seniors across this country.

Since last fall I have been collecting signatures on a petition urging the government to re-examine the mechanism it uses to calculate the cost of living index for seniors.

Thousands of people in Saint-Laurent, Cartierville and Montreal signed this petition. The response from the minister of health has been a joke. The government simply does not get it. It refuses to look at this issue because it knows that an index specifically designed to look at the cost of living for seniors would show that it increases at a rate far higher than inflation.

Seniors want real answers from this government in terms of their problems. They want the federal government to take them seriously and not give them simple platitudes before election time.

[*Translation*]

Interestingly, at a time when the number of senior citizens is increasing and will continue to increase over the years, the Tory government has decided to reduce their chances of being heard. Is it a coincidence that the same thing is happening to the voice of the neediest in this country? Is the government afraid to face people who have some very serious demands? Is it afraid to face its failure to wipe out poverty and meet its commitment to enhancing the well-being of all Canadians?

By merging the National Advisory Council on Aging and the National Council of Welfare, the government is trying to give the impression it will save a lot of money.

We seriously question the government's judgment especially since savings will be negligible. In its 1991-92 annual report the National Advisory Council on Aging reported a budget of $396,200 and a staff of nine person-years, which represents only half the cost of the Prime Minister's farewell trip.

Both councils have always admirably represented their respective constituencies. Is that perhaps the real reason why the government insisted on this merger? Do the Conservatives really believe that the facts and the problems will go away because they gagged the poor and the elderly? This is one more example of poor judgment on the part of a government that is grinding slowly to a halt.

It is high time we had a new government that knows how to listen and how to act, after as well as before an election.

[*English*]

The government tries to sell a message of fiscal responsibility but with this budget and the additional borrowing we learn the deficit is absolutely out of control. In 1992-93 the deficit was supposed to have been $8 billion less than it actually was. It is over $1 billion more than he predicted it would be in last year's budget.

• (1335)

The minister's predictions confirm that the candidates for the leadership of the Conservative Party are completely out of touch with reality when they say they can eliminate the deficit within four or five years. If this is the case why are they not telling Canadians exactly how they are going to get rid of the deficit? Will they cancel old age security pensions? Will they cut back on UI? Will they cancel medicare? How about cutting transfer payments to the provinces even more?

The government has to be honest with Canadians. We are not buying this time. It did not tell Canadians about the GST and we are stuck with it. Canadians demand to know from the Conservative Party what it is going to do, otherwise it should call an election and give us Liberals a chance to govern. We know where we want to take this country. We know that we must get Canadians and Canada working again.

[*Translation*]

Our leader, the future hon. member for Saint-Maurice, is committed to controlling public spending, to suspending programs that do not directly create jobs and contributing to the economic development of this country as well as to reducing our debt in proportion of the GDP.

A Liberal government will not try to reduce inflation to zero percent by maintaining high interest rates that stifle our economy. It will find a fair balance between inflation control and economic growth by maintaining the Canadian inflation rate at a level comparable to the American rate.

We on this side of the House are committed to budgetary responsibility and to strict spending control.

[*English*]

Here is a suggestion of where to cut. It can eliminate the Canadian Multiculturalism Advisory Committee in the Department of Multiculturalism and Citizenship. It can roll back the totally ridiculous wage increases for citizenship judges and political appointees of this government.

The Conservative government loves talking about fiscal restraint and budget control but it is clear from its inability to act that it is simply not serious about cutting back in non-essential areas. Liberals understand that the only way to cut the debt is to get rid of the deficit and get

Canadians back to work. We must get them off government assistance and UI. We must put the 11 per cent of Canadians who are unemployed and the millions more who are underemployed in situations where they can maximize their contributions to Canada's economy.

Without the two-directional Liberal approach of fiscal responsibility and economic growth, any attempt to tackle Canada's economic problems will be futile.

[*Translation*]

The Conservative government has been in office for more than eight years now. For more than eight years it has been promising the moon but has reneged on its promises, budget after budget. It has been more than eight years that Canadians, who are generous by nature, have been giving it a chance. Now it is over. The country can no longer afford to be run by a wishy-washy government. Canada needs an economic plan that will stimulate growth, not promises without any concrete implications.

The Liberal Party has proposals to put on the table. It has achievable measures in the short, medium and long term to propose. The most important thing is to rebuild our national industrial base and to restore public confidence.

Our party is committed to stimulating job creation by supporting the development of an economy focused on technological progress by controlling the budget deficit and by reducing the debt. Our party is committed to working in consultation with the provinces in order to convince them to remove trade barriers.

The Liberal Party has the tools that it needs. It has the resource persons. It is ready to work with and for all Canadians. Our party is on course and will steer the country to prosperity after the next election.

[*English*]

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I would like to thank the previous contributors to this debate for the information they have imparted to the House.

We are here to debate a borrowing bill which will allow the government to borrow the money to meet its requirements over the current fiscal year. I understand that if the bill is not passed rather expeditiously the government will be forced into some short-term borrowing that will result in higher borrowing costs. We do not want to delay passage of this legislation any longer than necessary and force the government into the position I talked about.

• (1340)

There is no question in the minds of members of Parliament in this House and in the minds of Canadians that what has happened with the public debt over the last years of Tory government has been absolutely dramatic and very difficult for Canadians to understand. They know this government came to office talking in grand terms about dealing with the deficit and the debt problem that was created by the Liberals. However since it began its term of office the debt has more than doubled and this Conservative government has failed dismally in its attempts to deal with the problem of the deficit.

Its policies with respect to the debt and the deficit simply have not worked. It reminds me of a previous legislature where I sat for approximately 16 years. It had a little different approach to the way debates and discussions took place. In fact we had a sort of parting of the ways in British Columbia in the early 1980s when the Bennett government of the day decided it was going to embark on what he called the restraint program. One of his advisers was Bud Smith who may be remembered from another situation and one of his major advisers was Kim Campbell. She was one of the backroom people in Bennett's office when the restraint program was being rammed down the throats of the people of British Columbia.

When Mr. Bennett brought in this so-called restraint program he said it was absolutely necessary to cut down government expenditures and the debt. It would make sure we did not pass the debt and deficit problems on to our children so they would not be able to enjoy the kinds of programs we enjoy today at their expense.

In fact the Bennett government in British Columbia and succeeding premiers in British Columbia created more deficit and greater debt than any previous government in the history of the province largely as a result of the so-called restraint program. The restraint program was actually a cover for an ideological program that the Socreds had in mind for the government of British Columbia.

Essentially it was designed to diminish the ability of the government to be a large player in terms of negotiations with labour, citizens groups and corporations. Bennett systematically dismantled the power of the province and created huge debts and deficits which limited the decision-making options of British Columbia. The province ended up being a very weak force in terms of its ability to aid its people, create new programs and develop new employment and opportunities for people.

The goal of the Social Credit Party, which was essentially a coalition of Liberals and Conservatives, was essentially to weaken the government to the point where it did not pose any kind of countervailing threat to the private sector. It was very successful in doing that.

What Mike Harcourt's government is dealing with today in British Columbia is precisely the problem of trying to restore the finances of the province to health so it can deliver the kind of existing programs it is obliged to deliver as well as create new programs that voters in that province are demanding.

I see the same kind of thing happening here in Ottawa where far from setting out to reduce the debt and the deficit of this country in my view the Conservatives have actually increased the debt dramatically based on their spending history. They have increased the deficit dramatically and brought about fiscal and monetary programs that have made this government much weaker in terms of its ability to assist Canadians and play a role in the development of this country for the benefit of all Canadians. In fact this government is now obsessed with the issue of debt and deficit because of the political plan of the Conservative Party on coming to office.

• (1345)

Statistics Canada has provided a great learning aid for the people in this House of Commons. It did a study some time back. First of all the government tried to suppress the study. The study actually analysed the cause of the debt here in Canada.

It found that roughly 55 per cent of that debt was due to concessions to the wealthy and large corporations. These are tax concessions we are talking about and those tax concessions were made to the wealthiest of Canadians, not to the middle class and not to the lower income Canadians. These tax concessions were made, according to the Statistics Canada study, to the wealthiest people in Canada, the people who should be paying their fair share of the tax burden.

In addition the tax concessions were made to large and profitable corporations which should have been contributing positively to the revenues of the people of Canada. In fact those concessions according to Statistics Canada resulted for many years in well over 100,000 profitable corporations paying no tax at all as a result of those policies of successive Liberal and Conservative governments.

According to Statistics Canada that is where 55 per cent of the blame lies for the current debt structure that we face in this country.

Now it says about 40 per cent is due to the high interest policy which was also pursued by the two parties because they are interchangeable it seems when they get into office. The Liberals sound like New Democrats when they are in opposition. They act like Tories when they are in office. The Tories sound like Tories in opposition. They act like Tories when they get into office.

In any case what we end up with in this country, regardless of whether they wear the label Liberal or Conservative, is essentially the same political ideology in office from those two corporate sponsored political parties.

About 40 per cent of the problem with the debt we have in this country according to the Statistics Canada study is due to the high interest rate policy pursued by both Liberals and Tories in office.

It always amazes me to hear the Prime Minister talk about the interest rate levels at the time the Liberals left office, the unemployment rates when the Liberals left office and all of those problems that we were experiencing when the Liberals left office. He is responding to the criticism made by the Liberals that his government is doing precisely the same thing.

The policy pursued by both of them with respect to interest rates has caused roughly 40 per cent of the accumulated debt that we now have to deal with in Canada and that this Parliament is charged with dealing with.

Statistics Canada also pointed out that 6 per cent of the debt problem is due to program over-runs. What does this government do? Does it attack the 50 per cent

that is the problem, which is the concessions to the wealthy and the powerful and the corporations? Does it attack that which has been determined by Statistics Canada to cause 55 per cent of our debt problems? No. It increases the number of tax concessions going to corporations. It increases the problem.

Does it attack the problem of high interest rate policies? There is no question about the fact that interest rates have come down but the spreads in interest rates between ourselves and the United States and some other countries are still relatively high and are still a major cause of the problem. I do not think they are 40 per cent because of the reduction in the interest rates but they are still a major cause of the problem.

Fifty-five per cent of the problem is due to concessions to wealthy individuals, high income earners and wealthy corporations which do not pay any tax at all. Why does the government not deal with the major problems? Instead of dealing with those problems, why does the government not turn around and take a look at that 6 per cent of the responsibility and try to attack that 6 per cent which is program funding and over-runs on programming? We cannot solve the deficit problems and the debt problems in this country by dealing with the cause of 6 per cent of it. It simply does not work that way. It is an ideological problem, a blinker problem that this Conservative government has. It is unwilling to challenge the people who supported the Tories and paid their way into office. That is the rich, the powerful and the profitable corporations. They cannot deal with that 55 per cent of the problem because that is where their meal ticket is to get into this Chamber and that is why we are not dealing with the problem.

• (1350)

The gentleman across the way is saying:"Well, what about labour?" Labour does donate to the New Democratic Party and we are pleased to receive its donations. It supports us in large measure all across the country. I think that is because we are understood to be the party that does the most for individual Canadians and are most concerned about the problems being faced by individual Canadians, including individual workers.

The minister does bring up a problem and that is that there is a lack of national consensus in this country. Canadians from every walk of life do not agree with the direction in which the government is going. There is no forum developed in order to bring those people together, in order to get them to agree and to go in the right direction.

It is interesting that just a few months ago the Canadian Centre for Labour Market Productivity looked at some countries to find out why some economies were so successful in economic good times and also in times of economic recession. It identified a number of countries. For example, it pointed to Switzerland. Switzerland has a very strong business oriented national consensus which makes it a very successful country in terms of pursuing its economic goals. It is pointed out that these are business oriented economic goals but labour, the general public, government and business all have the same view of the world and it helps them to be successful.

Australia has a different way of looking at it. When the labour government entered into an agreement with the Australian Council of Trade Unions many years ago, it set up a national consensus based on the labour accords in Australia. Because this accord turned out to be relatively successful, business, while not a signatory, went along with the agreement. As a result a government of national consensus was established in Australia which made it a relatively successful economy compared to the kind of conflicts it it had before. What is lacking in Canada is that national consensus among groups in Canada which need to be onside in order to make this economy successful. The consensus is lacking.

This government has done very little to bring it together. It is a government that has directly attacked labour. In fact, I can recall when there was a grain handlers strike in Vancouver and our members were standing up in the House asking for government assistance to resolve the grain handlers strike. Essentially the Prime Minister said to our speakers on this side of the House:"Well, you go talk to your friends in labour and get them to back off the grain handlers strike".

What struck me is not that we had friends in labour or in the grain handlers union. I do not think we would have been as successful or any more successful than anyone else in dealing with those people at that particular time. What struck me is that the government felt that it had no friends in labour and as a result there was no network upon which to develop a consensus on economic issues. I

think it is important that this Parliament consider that need.

When this Prime Minister first came to power in 1984 he convened a meeting representing all sectors of the Canadian economy. I recall that a number of union leaders across the country went to the meeting. I recall he even brought Bob Hawke, the Prime Minister of Australia, who had managed labour accord in Australia. I understand that he brought business people and other sectors of the economy together in the hopes of finding out if there was the basis for a national consensus in Canada. Unfortunately that conference withered on the vine. The idea seemed to flit away from the Prime Minister's mind right after the conference ended so he did not pursue this issue. The problem here is that this country, this government, this Parliament lacks a national consensus as to where we should be going as a country. A country that does not have that ends up wallowing.

• (1355)

What we see with this government in the last budget and in the borrowing bill is that the government has essentially given up the fight on the debt and the fight against the deficit. The government talks about the net public debt in 1997-98 being another $100 billion more than it is today, half a trillion dollars in debt. That is quite a legacy to leave for future governments and this bill is a part of the problem.

What we need is a new way of looking at these issues, of getting all parties together, getting all sectors of the economy together and addressing these issues so that the government is listening to everybody and setting up a plan that represents a consensus of the people of Canada. It has not happened to date. It is unlikely to happen under the current government. I cannot see it happening under future leaders of that party. I am just hoping that at some point in the future somebody will take the advice that has been given to us by some of the more successful economies on earth and take a look at the idea of the need for a government of national consensus around economic issues.

Mr. John Manley (Ottawa South): Very simply, Mr. Speaker, the member has given us a good explanation of why in the face of the crisis that we have in Canada, or a virtual crisis or perceived crisis with respect to debt and deficit, there is a need to build a national consensus on how to deal with it. As a member of the New Democratic Party I am sure he is aware of the difficulties being confronted by an NDP government in Ontario in building just that very kind of consensus.

In the last few days we have had really a very direct rebuff of the NDP government by the trade union movement, particularly Public Service trade unions in saying they are not prepared to deal with a government that wants to roll back wages or reduce employment among their particular membership and that they are on that basis not willing to engage in the discussion of what the government has called a social contract.

I wonder in the face of that kind of rebuff of an NDP government by the very people with whom it ought to be best able to build that kind of consensus, how does the member see us building a national consensus in a situation in which the divisions are so acute and so difficult?

Mr. Skelly (Comox—Alberni): I would like to thank the member for his very worth-while question.

In British Columbia with the accord that was signed with health care workers over the closure of a number of hospitals in Vancouver, the government was able in that case to sit down with health care workers and to hammer out an accord which now may run into a bit of difficulty with the management of the hospitals. I think that in spite of the public expressions of disgust about the whole process that people now are willing to sit down and are willing to see the accord develop.

I think there is a general feeling among labour, government and the hospital managers in British Columbia that there has to be some kind of an agreement that is going to allow us to continue on with the health care system and to make sure that there is no interruption in service. In the face of a crisis that Bob Rae is dealing with here in Ontario where the government has already announced its stated position as requested by the unions, I think the unions have publicly reacted in a very negative way to the material put forward on the table by the Bob Rae government.

What I see in terms of a silver lining in the cloud is the unions saying they are going to prepare their own proposals to submit back to the Bob Rae government. While negotiations as they appear in the media look like they have broken down or look like they are in a very difficult situation, in fact the unions are looking at their future, the need to sit down with government and the

need to come to an agreement. I think they are developing their own proposals.

• (1400)

At this time I am still very optimistic about the fact that a social contract can be reached with the workers of the Ontario government. It is not going to be everything that either side wants. It is not going to be everything that Bob Rae wants. Perhaps he will have to give up on some of his non-negotiable items. It is not going to be everything that the trade unions demand and they will have to give up on some of their demands.

I am very optimistic, and I think the good faith is fundamentally there. Those people will sit down and at some point reach an accord. I am hopeful, for the benefit of Canadians and for the benefit of people in Ontario, that will be the case.

[*Translation*]

Mr. John Manley (Ottawa South): Mr. Speaker, I simply want to make a few comments on the bill debated this afternoon, and also on the budget tabled by the Minister of Finance on Monday.

First, I want to say that I am quite aware of the fact that the Minister of Finance was faced with a difficult task when he started working on this budget. The projections on the deficit in the last budgets, not only those of the minister in 1992 but also those of his predecessor in 1991, have really been inaccurate. An enormous mistake was made in predicting the deficit for the year which just ended and also for the year which started on April 1, 1993.

[*English*]

The fact that it was a difficult budget to prepare in these times, however, does not excuse what I believe has been a display of incompetence and, to put it mildly, a lack of frankness in the presentation of the budget. Let me begin with the question of whether this budget was competently presented and the circumstances that have followed its presentation.

In recent weeks, amid the rhetoric of Conservative leadership candidates talking about their ability to bring down the deficit, concurrently we had the Minister of Finance talking about the great problem the deficit and the debt had created. We had the acceptance of the enormity of the fiscal calamity by governments of all political colours in Canada. We had the premier of Newfoundland, Mr. Wells, having brought in a very tight fiscal budget, going to the people of Newfoundland in an election campaign and asking for their support to fight the deficit. At the same time we had the NDP governments of Ontario, Saskatchewan and British Columbia talking about the problem the deficit and the debt creates.

In this political environment the minister came forward a couple of weeks back with a document talking about the fact he was going to bring in a tough budget and there was a political acceptance of the need for such a budget. That was the climate created by the minister into which he brought the 1993 budget. He had managed to create expectations among the public, among the investment community and among international bond markets that the budget was going to be one signal that showed Canada was finally going to get its debt and deficit under control. That is what he promised.

The previous speaker or I or others of us may or may not have disagreed or agreed with whether what he was signalling to the markets was the right things to do. That is not my point here.

• (1405)

My point is that when a minister of finance speaks the world listens. The world, not just within Canada, has invested heavily in Canadian debt and the Canadian dollar as security. The Minister of Finance sent a signal. The signal was clear: this budget was going to bring down the deficit. That in itself accounts for what happened to the dollar following the presentation of the budget. It accounts for what happened when the Canadian Bond Rating Service downgraded the debt on Tuesday. It accounts for the crisis of confidence in the government and the minister that followed the presentation of this budget. We have not had a fiasco like this since the budget leak of 1989.

The result is not neutral to Canadian taxpayers. The result has been an increase in the Bank of Canada rate on Tuesday in order to support the dollar and undisclosed spending out of the foreign exchange accounts in order to defend the dollar by the Bank of Canada or its agents. Those we will not know about until some months from now when we know what the level of foreign exchange really is. Those transactions and the rise in the bank rate are not neutral to Canadian taxpayers. The Treasury bills that turned over on Canadian government debt this week and had to be turned over at higher

interest rates are costing Canadian taxpayers money. The Minister of Finance is accountable for that and he should be answering for it.

I said that the budget had a lack of frankness. Some might say it was downright dishonest. I am quoting from the minister's speech, the opening lines of his budget speech:

> Today I am presenting a budget that will deliver: no new taxes; no tax increases;

When we go through this document, for the benefit of those who do not often look at these, it is fundamental that we deal with the accounts of the government on an annual basis. We use a fiscal year that starts on April 1 and ends on March 31. It is not that complicated. We need to have some basis for comparing year to year, period to period. All the revenue projections, all the spending projections and all the deficit numbers are all done on a 12-month fiscal year basis.

When the minister says "no tax increases", does he not mean on a fiscal year basis? Would we not think when everything else in the document is based on the fiscal year that he is talking about a fiscal year when he says "no tax increases"? Apparently not. He decided to save money, save administrative costs, by taking the four GST tax rebates and combining them into two rebates. That is going to save costs a little bit, granted, because of the fact the cheques have to be printed, calculated and so on. Guess what? He is combining them so that the January cheque is combined with the April cheque and paid in April.

Let us think about that for a minute. The fiscal year end is March 31. If we take a January payment out of one fiscal year and we combine it with the April payment in the next fiscal year, what have we done? We have taken $625 million of reduced revenue—because it really nets out against the GST—and put it into the next fiscal year.

• (1410)

What effect does that have on the statement of accounts? It works its way through in a couple of items. It works its way into the net revenue from the GST which goes up for the fiscal year by $625 million. It works its way into the debt financing and reduction account—that is another sham account we can talk about in a minute if we have time—for this year because it reduces the debt financing costs by $625 million.

Guess what? The minister said there were no tax increases. What has he done? He has raised the GST revenue by $625 million. How? By effectively reducing the amount paid to the poorest Canadians in the current fiscal year. If it is such a good idea to combine two quarterly payments, I have an idea for him. Why do we not move the October payment to January so that low income Canadians get their cheques in January, just after Christmas when a lot of them need it? It works the same way. The administrative costs are just as much a savings.

That whole $625 million would still be in the current fiscal year. The minister would not be able to play his little game of shifting it into next year. If I have anything to say about it, when this government is tossed out we will give that $625 million back to Canadians. If it is no tax increase what does it matter? It is all neutral, right? That is the way this government has dealt with the numbers on the books of this country since day one.

Going back to November 1984, the government came into office and delivered a financial statement. The former Minister of Finance, the hon. member for Etobicoke Centre, rose in the House and said: "Here is what we are going to cut. We are going to cut all kinds of things that those wasteful Liberals were doing. If we do not cut them, do you know what? By the end of the fiscal year the deficit will reach $34 billion, if we do not make all these cuts".

By the end of that fiscal year he had managed to run the deficit up to $38 billion with his cuts. He managed to cram every last expenditure he could get into that year. Even this week, those members were arguing that in the last year of Liberal government the deficit was $38 billion. It spent a whole portion of that in the months between September and March when it was in office. This is a budget, like so many other financial statements that have been presented by this government, that is fundamentally dishonest.

I want to raise another question. I do not know the answer to this one. I have looked at how much the government wants to borrow in this borrowing bill and it is a large amount of money. We are looking at a bill which asks for the authority to borrow $31.5 billion.

Last year we had a bill for borrowing too. In that one the government requested $24.7 billion. That is quite a large difference. What did the government have to do? Last year it had to bring in another bill which passed on February 15 for an additional $8 billion. I smell a rat here.

The House cannot sit beyond November 21, 1993. After that an election will have to be called. At least it would have to be called in order for the House to resume sitting some time within the year following. There is a lot of leeway. The House of Commons fundamentally exists to vote supply for the government, to give it the money to operate. If the government had not borrowed enough money in this bill and began to run out, it would have had to call the election early enough. We all hope the government will call it soon, but the possibility with a borrowing bill of $31.5 billion is that the House could continue until some time in 1994 with the government burning up the money it is borrowing today.

• (1415)

It is unfortunate that this government has not borrowed just enough money to get it through a summer election so the people of Canada can make up their minds. Then we will deal with who should be making the decisions that have to do with managing the finances of this country.

A lot of the rhetoric and discussion about debt and deficit somehow misses the point. The fact that we have a debt-deficit problem is analogous to having a high fever when suffering from a disease or illness. During a bad case of the flu one gets a fever. If the fever gets out of control the fever itself can kill. But treating the fever alone is not enough to deal with the underlying disease. The disease is what we have to try to find a cure for. It is true that when we have a high fever maybe a cold bath or drinking fluids or whatever the doctor prescribes is useful. They reduce the fever but we still need to address the illness.

I believe that the deficit we have been suffering in Canada is like a fever. A cutting of expenditures is like a cool bath. It reduces the fever and tries to address that part of the problem, but the fundamental underlying disease that we are suffering from in the Canadian economy is the fact that we have been going through the last number of years of recession and low economic growth.

When we look at the government's records in terms of its spending, revenue and borrowing it is clear that we ran into problems when the revenue dropped off significantly. The revenue dropped off more rapidly than any government could have rectified by cutting expenditures.

We really had a problem of low revenue, not because tax rates where not high enough, but because the economy was not generating enough wealth. The government's share began to decline as did the private sector's share. The fundamental underlying disease we are dealing with is not the debt or the deficit but the weakness that exists in the Canadian economy itself.

That is why to look to the budget for some plan for economic growth is a search that must be performed. If we do not see a plan for where we are going to grow and where we can build the jobs that are going to generate the income that will be taxed tomorrow, then the deficit today which we know is going generate tax increases tomorrow is going to become an insurmountable problem.

Perhaps the greatest failure of this budget, even though it may be an interim budget until the government chooses a new leader, is that it lacks the plan and direction. It gives us no indication of where economic growth and prosperity is going to come from in order to address that fundamental problem which underlies the economy.

I cannot help but take the opportunity to look at that bottom line deficit projection for the five-year forecast contained in the budget and see that after five years we will continue to run a deficit of $8 billion for the year 1997-98 under this minister's plan.

It baffles me how two of his cabinet colleagues can go out on the hustings. The Minister of National Defence can claim that she can eliminate the deficit in five years and the Minister of the Environment can claim that he can eliminate the deficit in four years. The man in charge of it all, the Minister of Finance, brings in a budget that says: "Sorry, folks. After five years we still are going to be $8 billion in the hole".

• (1420)

Why does the Prime Minister not just stop right now and turn the whole thing over perhaps to the Minister of the Environment? I see that the four-year forecast is $14 billion. He is $14 billion better than the Minister of Finance. Why not give him that job today and let him get started at it?

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-117, an act to provide borrowing authority for the fiscal year beginning April 1, 1993.

Clause 2 agreed to.

On Clause 3—*Adjustment of Maximum Amount*

The Deputy Chairman: Shall clause 3 carry?

Some hon. members: On division.

Clause 3 agreed to.

Clauses 4 to 6 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Hon. John McDermid (for the Minister of Finance) moved that the bill be concurred in.

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

Some hon. members: Agreed.

An hon. member: On division.

Motion agreed to.

Mr. McDermid (for the Minister of Finance) moved that the bill be read the third time and passed.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the third time and passed.

SUSPENSION OF SITTING

The Acting Speaker (Mr. Paproski): Is it the wish of the House to suspend the sitting to the call of the Chair for the consideration of Private Members' Business?

Some hon. members: Agreed.

The sitting of the House was suspended at 2.26 p.m.

SITTING RESUMED

The House resumed at 2.37 p.m.

The Acting Speaker (Mr. Paproski): Is there consent to call it three o'clock?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It being three o'clock 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*]

CRIMINAL CODE

MEASURE TO AMEND

Mr. Derek Lee (Scarborough—Rouge River) moved that Bill C-389, an act to amend the Criminal Code (invasion of privacy), be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Mr. Speaker, I am pleased to have an opportunity to bring before Parliament a bill dealing with a matter of public concern over the last two or three years. It has been brought about by an increasing awareness on the part of the public of intrusions into their privacy and a sequence of lower court decisions that have made it apparent that section 183 of the Criminal Code, which purports to protect the telephone privacy of Canadians is no longer effective in protecting that privacy.

The bill which I present to the House would broaden the definition of a private communication as it is now defined in the Criminal Code. It will be broadened to state, and I will just quote the subsection I am dealing with here: "shall be deemed to include any oral communication or telecommunication transmitted through the facilities of a telecommunications carrier, irrespective of whether or not the transmission is both originated and received solely within Canada".

That adds to the definition of private communication and deems that every telephone conversation that takes place in Canada, whether or not it originates here, is protected by the privacy provisions of the code under the sections that prohibit wire-tapping.

This particular section of the code was enacted approximately 20 years ago because of increasing incursions into the privacy of Canadians and at that time it was simply called wire-tapping. At that time all of the normal telephone traffic in Canada and in the western world was carried by wires. At a certain point in time the telephone companies resorted to microwave transmissions to convey telephone transmissions in bulk.

• (1440)

Then at a later point in time we began using cellular telephones, which was radio technology. Those radio telephones, those cellular phones, use particular assigned frequencies in the frequency spectrum that is available to us in here in Canada. They are assigned in various countries around the world just as radio stations are assigned frequencies.

That is an explanation of what this bill does. The difficulty is obviously one of increasing technology. As a result of new and improved technology people who want to eavesdrop are more easily able to intercept private communications of Canadians on their cellular telephones.

This technology goes a little further. I am sure that as I speak there is another technology which we have not heard of yet. It is being used in the security and intelligence field and one day soon we will have an opportunity to read about it in *Popular Science* or *Popular Mechanics* magazine. As soon as it has become public the security and intelligence people will move on to a new technology.

I know that the technology is capable of picking up computer-stored data from outside of the building in which the computer exists. A personal computer emits rays and signals on different frequencies as it just sits there. Like a sponge we are now able to simply extract the data from the computer as it sits inside a building from a van or a car outside the building. We are playing catch-up football in this procedure in which we are trying to continue to protect the privacy of Canadians.

There were a number of Canadian cases that dealt with this right across the whole country. It was interesting to look at these cases because of the range they represented. The courts began some years ago, approximately in the late seventies, to indicate that a telephone conversation transmitted on a radio frequency might not be private as defined by the code. The code says: "In order for it to be a private communication there must be on the part of the person making the telephone call a reasonable expectation of privacy".

I would have thought that anybody making a telephone call through a telephone telecommunications carrier would have assumed that his or her phone call would have been private. The courts began back in the late seventies and into the eighties strictly interpreting the provisions of the code and saying that when people use a radio telephone there is not the reasonable expectation of privacy.

Consequently there is a big gap in the privacy protections as a result of those cases. American cases had to deal with the same issues. They came out to approximately the same meanings.

I took a different view in reading the code. I interpreted the section to cover every telephone communication so that if the person believed his or her conversation was private then it was, but the courts ruled differently.

Just shortly after I presented this bill, the government presented Bill C-109 in an attempt to redress that area of concern and other areas of concern, all of which are important. The bill has not yet completely gone through the parliamentary process but it has moved through the House process. In dealing with telephone privacy that bill deals with only two types of interception of telephone conversations.

• (1445)

The first type of phone call the government's bill would protect is a phone call that the interceptor intercepts for malice or for gain. The focus there is on the interceptor, on the wire-tapper.

The second kind of phone call that would be protected under the government bill is an encrypted telephone conservation. That is an encoded telephone conversation in which the signal is scrambled and then transmitted and then descrambled for the receiver of the telephone conversation.

That is all it does. All of the other cellular telephone calls that we make are certainly not encrypted. They remain unprotected.

This causes a problem for Canadians. That is the problem my bill is intended to redress. We accept now that they are not protected. The government accepts that people making or receiving telephone calls on cellular phones are not protected. Simple eavesdropping is not covered under this new government bill. It is apparently okay to eavesdrop on somebody making a phone call on a cellular phone but it is not okay to wire-tap from a wire transmission.

Apparently the only people around here these days who are protected under the new bill by means of the encrypted phone call are the ministers of the government, all of whom have encrypted conversation facilities. Government ministers are protected under the bill but ordinary Canadians are not.

The second problem is that the government says that there are too many scanners out there, too many pieces of equipment that can pick up telephone conversations. There are some 900,000 in the country. What is not being pointed out is that almost every one of them, or the vast majority, are dedicated scanners for ordinary radios, ordinary televisions and other electronic devices. They are dedicated and they are not being used for wire-tapping.

The third problem, and it is one that was pointed out just today in the lead editorial of *The Toronto Star*, is the inconsistency of the government's position. In its editorial *The Toronto Star* asks the rhetorical question: "People could be prosecuted for intercepting cellular phone conversations maliciously or for gain even though it would still be perfectly legal to eavesdrop. Does that make any sense?" It has tapped right into part of the problem.

Another problem that evolves out of this is reflected by the U.S. response. The United States government sees the same problem but it has approached it differently. It has banned at a date in the future, some time in 1994, the import and manufacture in the United States of all radio scanners capable of picking up telephone frequencies.

Until 1994 everybody can continue to manufacture, import and use scanners, but after 1994 in theory there should be no more equipment of that nature. People cannot import it and they cannot manufacture it. All of the existing equipment will ultimately, as technology changes, become outmoded. Eventually the easy scanning will die. That is the approach that is being taken in the United States.

There is the Government of Canada's approach, which only deals with malicious and gainful interceptions or encrypted phone calls, there is the U.S. position, and then there is the simple solution offered by my bill.

I want to point out another problem at the same time. The new government bill does not address the apparent problem of an agency of the Canadian government that is currently freely intercepting all of this radio wave telephone conversation. That is the Communications Security Establishment. That agency is now doing it.

Based on the interpretation of the Criminal Code the agency would appear not to be doing anything illegal. It does not get warrants. In fact it does not even tell us what it is doing. I am making certain inferences here from information that is available to parliamentarians and to people who read the media across Canada. Under the new government bill that agency will continue to be free to intercept because it is not doing it maliciously or for gain. I do not know how it is dealing with the encrypting problem but if there is any agency in this country capable of encrypting and de-encrypting it is the Communications Security Establishment. That is its job for the Government of Canada on behalf of Canada's security agencies.

• (1450)

I submit to the House, that my bill addresses this problem of agencies of the government. The problem has also been addressed by the Supreme Court of Canada which says government may not wire-tap. It may not intrude on the privacy of Canadians. There are

special rules for the Government of Canada as I understand it and I am always subject to correction. The Communications Security Establishment should come forward to Parliament and explain what it is doing. It is carrying on unchecked and unregulated now by the Criminal Code and apparently even by the government's new Bill C-109.

I submit to the House that what is needed is a bill of the nature I have proposed. The government's current proposals simply do not go far enough.

As I said earlier there is a kind of inconsistency of logic here. One of the reasons the government says it does not want to ban eavesdropping now on ordinary cellular phone calls is because there are too many people out there capable of scanning. There are too many people able to eavesdrop. I think that is what the government is saying and I quote an editorial from *The Montreal Gazette* which says: "It would be wrong and probably futile to try to ban the scanners because there are so many".

If the government's logic is that it does not want to ban it because there are so many people eavesdropping already then why the heck would we bother to prohibit theft? Why would we bother to prohibit smoking marijuana? I am sure there are a lot more people committing theft in this country than there are intercepting telephone conversations. I am certain of it, although I cannot prove it. I do not know anybody who is a telephone wire-tapper. I know the odd person who has stolen and if I am correct there are people even in this House who have smoked marijuana. Admit it.

The fact that there are many people capable of scanning phone conversations and intercepting them is not a reason for not prohibiting the scanning of phone calls. The privacy of Canadians is at stake. We either have it, are entitled to it and there are laws protecting it, or we do not have it. Right now the government admits that cellular telephone users do not have the protection from ordinary public eavesdroppers or from the Communications Security Establishment, or any other outfit that wants to eavesdrop on cellular telephone conversations.

The government has said that some day in the future—and this sounds like an advertisement for a well-known electronics manufacturer whose name I will not mention—and that day is not now, all or most of our telephone conversations will be encrypted. It will not be an option as it is now; it will simply be there. However it is a bit of an illusion that all telephone conversations will be encrypted and therefore protected because just as the technology of encrypting has advanced, so will the technology of eavesdropping advance.

As the parliamentary secretary for the Minister of Justice pointed out in the debate on Bill C-109, we are always playing catch-up football in this field of technology. I do not really care where the technology is. I submit to this House that the principal concern is not the technology but the privacy of Canadian telephone users.

We all remember the Wilhelmy eavesdropping incident in the province of Quebec during the Constitution negotiations. That was eavesdropping with a cellular telephone. There were others. There was a very prominent one on the west coast. Even Her Royal Highness, the Princess of Wales, was apparently eavesdropped on by means of a cellular phone interception. These all make us painfully aware that our privacy is not protected.

• (1455)

I want to close by highlighting that the assertions of the government that it has moved to protect telephone privacy is only partly true because it has only moved to ban the interceptors who do it maliciously or for gain. It has only been done for its ministers' encrypted telephone conversations.

I submit that does not go far enough. The government could have kept it simple. It could have kept it clean. It could have had this problem rectified with one amendment to one section of the Criminal Code. It chose not to do that. We will see where the future takes us.

This is an opportunity for the government to reconsider that. I submit that my proposal can augment and will not be inconsistent with the half-protections proposed by the government. This bill will simply augment the principle of protection of privacy as it is now in the Criminal Code.

We will close the gap. We will seal it up tight the way Canadians want it and the way they think they have it. I hope the House will look upon my bill in that way.

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, I welcome the opportunity to say a few words about Bill C–389, legislation aimed at protecting the privacy of telephone conversations made using the facilities of telecommunications carriers.

This is a very short bill, so short that its purpose is not patently obvious. It consists of a single clause making two changes to the definition section of part 6 of the Criminal Code.

The substantive change is to extend the definition of private communication found in the Criminal Code to include oral and telecommunications transmitted through the facilities of a telecommunications carrier. It would also make it irrelevant that the oral or telecommunication did not both originate and end in Canada. The other change would be to add a new definition. The Criminal Code would now define a telecommunication carrier as a person who provides telecommunications services to the public.

The explanatory note indicates the purpose of the bill is to protect all telephone conversations to ensure that no telephone conversation is excluded by what is somewhat inaccurately termed as the reasonable expectation of privacy, the criterion found in the current definition of private communication. As I have already indicated, that expression is to be modified by Bill C–389.

There appears to be a misunderstanding as to what the current Criminal Code definition of private communication does. I would suggest that we need to be clear on that before we even try to consider Bill C–389.

It should be noted that it is not a reasonable expectation of privacy that is relevant in the Criminal Code definition of private communication. It is whether given the circumstances in which a communication is made, it is reasonable for the speaker to expect that the communication will not be intercepted by someone other than the intended recipient.

The notion of reasonable expectation of privacy is relevant when one considers constitutional requirements under our Charter of Rights and Freedoms. It is important that both be kept separate and apart.

Be that as it may, if the purpose of this bill is to protect all telephone conversations as it appears that is what the sponsor of this bill seeks to do, I would have trouble supporting the approach he has chosen, even if I agreed with the premise that all telephone conversations should be protected.

The reason is that the method chosen to achieve that purpose in Bill C–389 on the one hand goes well beyond ensuring that all telephone conversations are to be protected. On the other hand it may be that some telephone conversations which should be protected and which presently are protected would be excluded.

• (1500)

On the first point, that this bill overshoots the mark, I would like to read the definition of telecommunication found in section 35 of the Interpretation Act. It is directly applicable to the new definition that would be created in part VI of the Criminal Code. We will note it is a very broad concept. It means:

> Any transmission, emission or reception of signs, signals, writing, images, sounds or intelligence of any nature by wire, radio, visual or other electromagnetic system.

While we might be hard pressed to discover just what this covers, we can all readily agree that it goes beyond telephone conversations which to my mind implies two or more persons speaking to each other over the telephone. For example, in ordinary commercial radio or television transmissions, if the station was broadcasting a paid for or even a public service announcement or info program it would be captured by this overly broad concept.

Many more examples could be imagined. I suspect this was not intended. Nonetheless it would be unwise and dangerous to support this bill as presently drafted.

What would be the effect of Bill C–389 on conversations over telephone systems owned completely by non–telecommunications carriers? In–house communications are becoming more and more frequent. It may be that courts might be inclined to the view that Parliament intended only to protect calls carried by public communications companies. I would not want that result because those conversations made over systems not used to provide telecommunication services to the public are deserving of the protection of the law. I would not want new uncertainties introduced in what is already a difficult area of law.

Another undesirable result may occur. Courts might interpret the provision to restrict it to interceptions of communications while carried over the telecommunications carriers facilities. By that I mean while transmitted over the land lines or equipment belonging to the carrier and not while travelling over the air. This would create a larger loophole even if it is an unintended loophole.

I understand that just such an interpretation occurred in the United States. Its comparable legislation had to be changed to ensure that where appropriate protected communications included the radio portion of a telecommunication, that is if carried in whole or in part over the facility it would be protected even while travelling over the air.

In my view this is what we must aim for. It should not make a difference that a portion of a conversation is being carried over the airwaves. How is someone to know that the conversation is taking place over land lines only and therefore the law applies to that conversation but not if the carrier transmits parts of the conversation over the air?

I suspect the sponsor is interested in protecting the over the airwaves link, that is when using cordless phones, cellular phones or the satellite link. This is obviously a very difficult field because of changing technology among other things. This is something that would have to be carefully considered. As I have been trying to show, Bill C–389 does not appear to deal adequately with the issue.

Thus while I applaud the sentiment of this bill I cannot support it. Indeed I think a more balanced and accurate solution can be found in Bill C–109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunications Act. As mentioned by our colleague, Bill C–109 is still before this House.

The Acting Speaker (Mr. Paproski): There being no further members rising for debate, the time provided for the consideration of Private Members' Business is now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being 3.05 p.m., this House stands adjourned until next Monday at 11 a.m. pursuant to Standing Order 24(1).

The House adjourned at 3.05 p.m.

HOUSE OF COMMONS

Monday, May 3, 1993

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

CITIZENSHIP

CHANGES TO ACT

Mrs. Shirley Maheu (Saint-Laurent—Cartierville) moved:

That, in the opinion of this House, the government should amend the Canadian Citizenship Act to ensure it reflects the evolving nature of Canadian society and considers Canada's commitment to diversity and individual human rights.

She said: Who are we, Mr. Speaker? For many years we tried to define who we are, to define a national identity. We know we are not American, yet we probably have more in common with our southern neighbours than anyone else. We know that we are no longer British, yet we have inherited many of our political traditions and symbols from Great Britain.

• (1110)

Canadians are aboriginal people who were here for a millennia before Canada was settled by Europeans. We are French and British whose ancestors laid the framework for a nation that today is the envy of the globe, a nation where citizens speak two primary languages, live in many different regions, belong to a host of different religions, ethnic groups and races, yet are fundamentally Canadian.

[*Translation*]

In our northern country, it is our citizenship which unites each member of this House, regardless of our political stripe. Whether federalists or separatists, socialists or conservatives, we are all citizens of this great country.

Citizenship also unites millions of men and women who choose the Canadian citizenship. In spite of that, our citizenship is too often taken for granted. Too often, we think that citizenship has no real value.

[*English*]

Nothing could be further from the truth. Canadian citizenship is the key to our common future. It is a heritage that reaches back across the ages to our native roots and looks forward to a time when all Canadians will be equal, not simply on paper but in reality.

[*Translation*]

During the first decades of our existence as a nation, we, Canadians, did not have our own citizenship. It is only in 1947 that Paul Martin senior, a minister in the Liberal cabinet and a great statesman, brought in the first Citizenship Act in the Commonwealth.

[*English*]

Before any other nation of the British colonial empire Canada acted on its own to bring our own identity.

I believe that the passage of the first Citizenship Act was as a significant moment in history as choosing the maple-leaf for our national flag, the patriation of the Constitution and the proclamation of the charter of rights.

[*Translation*]

The passage of this first Citizenship Act meant that our community was evolving as a nation and demanding its place among other states, but citizenship, just like Canadianism, is a vague concept. As a country we change and evolve and so it must be with the notion of citizenship. This is why a Liberal government passed a new Citizenship Act in 1977.

The changing nature of our immigration necessitated a review of the original act. It has been 16 years since the last changes were made, and I believe that a review of our Citizenship Act is overdue. We should not merely examine the act as a legal concept, but also in terms of its emotional implication. We must come up with a concept

which enables us to take down the barriers between us, so that we can work together to build a better Canada.

[*English*]

I was hopeful in 1989 that the Conservative government would re-examine Canadian citizenship. I listened with interest to the throne speech on April 4, 1989 when the Governor General uttered the following words: "My government will introduce a new Citizenship Act".

This promise came along with a commitment to establish a race relations foundation and, Mr. Speaker, did you know that neither of them are in place today?

The government is quickly coming to the end of its mandate and after four years has failed to live up to its commitment.

[*Translation*]

Over the last few years, I tried to bring the matter before the committee, but the Conservative members refused to show up and, more importantly, the chairman of the committee refused to call the meetings. It is frustrating for members of the House to try to discuss an issue in committee. It is simply not acceptable to have a forum but to be denied the opportunity to look into the issue.

These frustrations motivated me to table motion M-731. Because the minister of Multiculturalism and Citizenship refused to look at the issue, I decided it was my responsibility to bring it before the House.

• (1115)

I believe every member of this House has the right to address the issue of citizenship, explain what it means for them personally and share their ideas on the possible changes to the present act.

[*English*]

I believe that by debating this issue and then voting in favour of this motion we would be sending a clear message to Canadians about the value that all of us must place on citizenship, and we must be sending a clear message to the minister that we want the Citizenship Act revitalized.

[*Translation*]

We want the federal government to promote the concepts of citizenship and Canadian identity in order to enhance our pride in what we are and to build a sense of belonging among Canadians.

As a matter of priority, this policy should develop a sense of pride and inclusiveness. For too long, citizenship has meant equality in our laws only. We must make it an everyday reality for all. I know that such concepts are difficult to translate into legal texts, but we must accept that challenge.

[*English*]

Despite the difficult nature of attaining this goal I feel that these concepts can be incorporated into the spirit of the legislation. We can create the sense of inclusion by writing a preamble to the act that describes who we are. We can foster a sense of belonging by changing the nature of the oath of citizenship by making it more relevant to those who aspire to the title. We can create a stronger sense of identity by clearly outlining the rights and responsibilities of citizenship.

Finally, I believe that we need to re-examine the criteria for citizenship as outlined in the act.

[*Translation*]

There are also a few issues pertaining to citizenship that are directly related to the act and that must be addressed. Since they have not been discussed for a certain number of years in this House, I believe it is important to take note of them since they are essential to an active and efficient citizenship. I am speaking here of problems concerning civics courses, second language training and promotion of citizenship.

Canadians have the right to know where we stand on these issues which are fundamental to defining our identity.

[*English*]

We must realize that citizenship is not reserved for immigrants alone. It is something that affects each and every one of us whether we are first or fifteenth generation.

However, there are some things that affect naturalized citizens and do not touch native born Canadians. People who aspire to obtain citizenship need to have information provided to them as to what is expected of them. They need to know what Canada expects from them to become citizens. In order for people to know what is expected we need to provide material that is sensitive to cultural diversity, and accessible to people who may be either illiterate or visually impaired.

[*Translation*]

On that point, I believe that learning material in civics could be available in audio and video forms. Written material should also be available in the mother tongue of new citizenship claimants.

[*English*]

Citizenship education courses should be made more accessible. All Canadians should learn more about their past, learn about their political institutions and be encouraged to participate actively in society. We need to encourage a sense of unity and our diversity, a sense of belonging to a country in whose citizenship we have the right and opportunity to be different. We also need more effective second language training initiatives. If new citizens do not have command of either official language, they become marginalized. People are literally left mute by a country that does not give them the tools they need to be active citizens.

For years the government did not provide all new immigrants with the opportunity to learn one of the official languages. What this did was marginalize many immigrant women who found themselves in a new country with no linguistic skills.

Mistakes such as these should never be repeated and we must do all that we can to give these people the tools they need to become effective citizens.

[*Translation*]

The minister of Multiculturalism and Citizenship must do everything in his power to promote the value of our heritage.

• (1120)

I congratulate the minister on his efforts to help Canadians reaffirm their citizenship. This is something all of us should do as it is a symbol of our faith in our country and its future as a nation.

[*English*]

The act needs to be changed as well. I believe that an important element in revitalizing Canada's Citizenship Act would be the drafting of a descriptive preamble. We need to consult broadly with Canadians on what should be included in the preamble. Canadians need to tell us how they want to describe themselves. Nevertheless, I believe that certain descriptive characteristics need to be included to foster a sense of belonging and inclusion in Canadian citizenship.

[*Translation*]

We should define ourselves as a bilingual nation with great pride, and as a nation with a wide variety of cultures. We should also recognize the special place of the Quebec society and native peoples in our country. Moreover, I think we should stress clearly the rights and responsibilities associated with our citizenship.

[*English*]

We know that we expect citizens to obey the law, but how about a more detailed outlining of our responsibilities? I am not suggesting that people be punished for not fulfilling the responsibilities directly outlined in the Citizenship Act. However, I do feel we can tell people what we expect from ourselves. We should all be expected to respect the environment, to be responsible for the well-being of our family. We should have a sense of responsibility toward the well-being of our community and our fellow human beings.

People know their rights. They should be just as familiar as to what they should do to help Canada and Canadians prosper not only economically, but also socially and culturally.

[*Translation*]

I want to make it clear that I support the suggestion of the hon. member for Notre-Dame-de-Grâce that we amend the Canadian Citizenship Act.

[*English*]

As the oath currently reads, new Canadians and those who reaffirm their citizenship swear allegiance to Queen Elizabeth and her heirs and successors. I believe it is time for a change. It is time for people to swear allegiance to Canada and Canada alone. This is not a rejection of the monarchy. It is time that new citizens pledge allegiance to something which is more relevant to our and to their experience in this country.

I also believe we have to look at the criteria for those to whom we grant citizenship. I am not convinced that the present day political geography quiz is the proper test. We need to re-examine this issue and perhaps look at different standards.

[*Translation*]

It might be important to ask them how they will contribute to the Canadian society, why they want to become Canadian citizens, and what the word "Canadian" means to them. Being able to tell the citizenship judge who is the premier of Nova Scotia or who is the member of Parliament for one's riding has nothing to do with being a good and deeply committed citizen.

[*English*]

These should be the criteria for citizenship. The qualities of a person and their commitment to this country, not some *Jeopardy* quiz.

[*Translation*]

A few technical amendments are also in order. There should be a direct link between the multiculturalism and citizenship minister and the act, and the discriminatory section 3(b) on adopted children should be struck out.

[*English*]

Finally I believe there should be limits on the automatic loss of citizenship. A person must be notified that he or she is being stripped of citizenship pursuant to other sections of the act or if the person decides to renounce his or her citizenship. In this I refer specifically to section 8 where a person born outside of Canada to Canadian parents automatically loses his or her citizenship on reaching 28 years of age unless he or she expressly applies for citizenship. Why should a person not be allowed to renounce it if he or she does not want it?

[*Translation*]

I think all those points should be examined if we are to make our Canadian Citizenship Act more representative of the Canadian society. We should amend this act to better reflect the evolving nature of our society if we want citizenship to have a real meaning to our Canadian people. I hope all members in this House will join me in sending a clear message. We want a new citizenship act, a more modern act which would better reflect our current reality. I hope they will join me and vote for motion M-731.

• (1125)

[*English*]

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am very pleased to have an opportunity to participate in this debate.

I commend my hon. colleague for bringing this very important subject before the House. She is very right in saying that it is perhaps overdue that we should take a look at and make revisions to the Citizenship Act. Perhaps the time is appropriate for a more comprehensive set of inclusions within the Citizenship Act.

I know my hon. friend is very pleased to be aware of the fact that the Minister of Multiculturalism and Citizenship has been participating in very extensive coast-to-coast consultations with Canadians which are targeted at responding precisely to what she is looking for.

I particularly find it interesting because five years ago David Crombie, the then secretary of state, the minister responsible for multiculturalism, initiated a process. He was very interested in doing some revisions to the Citizenship Act. I am sure members will recall the paper called *Being Canadian* that he published as a white paper or green paper. I do not know what kind of a paper it was but I know it was printed on white paper. I remember that at least.

In that paper he addressed a number of the issues that my hon. friend brought before the House today. I personally had an opportunity, as I was mentioning to her prior to the debate, to do a study on behalf of Mr. Crombie. I just found a copy of my paper.

Along with listening to her remarks I was reviewing some of the recommendations that I made in that paper at that time. It is kind of interesting. I would like to read some of them because I know they are things she would like to see in the act. I can read them since I wrote this paper and recommended them. Obviously, I think they are good ideas. Here is just a sampling of them:

> Canadians who adopt the citizenship of another country should not automatically lose their Canadian citizenship though the option of revocation should be available to them.

One of the things we have done in Canada under the current act is to allow people to become Canadians without necessarily having to give up their former citizenships.

When I did this study this was something that was reacted to by native-born Canadians, people who were born in Canada and became Canadian by birth. Some of them reacted to that. It is important to remember that as individuals we are what we are.

There are advantages to Canada in having citizens who can flow freely back and forth between this country and others. Here are some more:

> That persons should not be required to renounce former citizenships as a condition of becoming Canadian, although the option should be available to them.

> That Canadians who voluntarily give up their Canadian citizenship should normally have an automatic right to renew their citizenship if and when they wish.

That is an interesting one. All members of Parliament are faced with this situation from time to time. Perhaps a Canadian marries an American and goes to live in the United States.

Recently I was dealing with a case involving an elderly woman in her early eighties. She had become a widow. She lived in the United States and was no longer a Canadian citizen. That was 35 years ago. Her husband passed away. She wanted to come home to Queen's County, Nova Scotia and all of a sudden, she discovered she was not a Canadian. She would have to go through a complicated process. At one point, it was even suggested that she would have to apply in the normal process. That is ridiculous. Here is another one:

> That Citizenship Act amendments re-establish two original requirements for citizenship. Specifically, that applicants be "of good character" and that they indicate their intention to reside permanently in Canada.

The point being made is that a Canadian passport is not intended to be a passport of convenience but something that is available and is one of the privileges and rights of being a Canadian citizen.

Sometimes one wonders, with all the things going on in the world today, if people are seeking Canadian citizenship not because they want to live in Canada but because they want access to a Canadian passport.

> That the length of residence for citizenship qualification remain at three years.

That is what it still is.

> That the definition of residence for citizenship qualification purposes should normally necessitate the presence in Canada of the applicant for at least 75 per cent of the time required to qualify for citizenship.

• (1130)

That again addresses the whole issue of seeking citizenship for convenience rather than as a commitment to this country.

> That for compassionate reasons the government should grant statutory exemption from the requirements for adequate knowledge of one of the official languages to applicants over the age of 60 who have come to Canada to live with one or more members of their immediate family.

That only makes sense.

> That where citizenship has been acquired through fraud, false representation or concealment of material circumstances that citizenship should be revoked through a process in the courts by a justice in the Supreme Court of Canada.

Here is another one that was kind of interesting. It is a recommendation that the title of the office of citizenship judge be changed from judge to commissioner. When I did this study a number of the respondents indicated that for people coming from countries where there may have been oppression a judge was kind of a terrifying figure. The suggestion was made that to many immigrants the idea of going before a judge was scary whereas if the term was "commissioner" it was a less frightening prospect. That is where that recommendation came from.

The last recommendation that I will mention from this study, which I know my hon. friend will be pleased to hear, reads:

> That the Citizenship Act be amended to include a general preface setting out the fundamental principles of Canadian citizenship.

I think that is one of the main thrusts of her motion. I see there is a certain harmony of opinion with respect to this and, if I do say so myself, it was not a bad paper now that I have had a look at it five or six years later.

One of the things the member mentioned in her remarks that I would fully endorse is this notion that our Citizenship Act tends to be targeted at merely the process of acquiring Canadian citizenship and does not address the whole issue of what it is to be a Canadian citizen because most Canadian citizens did not acquire

citizenship by immigrating to this country but were born into it.

I often wonder about the test that is given in the process when a person becoming a Canadian citizen goes before a citizenship judge and has to answer a quiz on Canada. I wonder how people would do if that test were applied to all Canadians. I wonder if they would all be successful on it.

She made reference to the quality of citizenship education and civic education in Canada. We in this place all realize that education is primarily a provincial responsibility, but the diversity of curricula across the country has always been a barrier to effective Canadian studies in my opinion. It is extremely important that there are certain basic pieces of knowledge about this country that should be a part of the fabric of every Canadian. They should know certain things about the country, what it is, what it comprises, how it is governed and that sort of thing.

Whether it is appropriate to address this in the Citizenship Act or not is another question. My inclination would be that it is probably not, but there definitely should be some interest. It seems to me that there is a federal interest in the quality of civic education, particularly in terms of responsibilities of citizenship as opposed to rights of citizenship.

She mentioned that the criteria should be re-examined. Perhaps so. Certainly in the study I did we took a look at that. We concluded that the basic three-year requirement with a residence requirement should be essentially the same.

She mentioned language training. One of the requirements of the Citizenship Act is that an individual should have to be able to function in one of the two official languages, which imposes an obligation on the government to ensure that opportunity is there. She raised the problem particularly faced by immigrant women who tend to be more in the home than out in the community and do not have the same opportunity to learn the language.

There is no question that if people do not speak the language of the community in which they reside they are at an incredible disadvantage, not just economically but socially in every way. It is one of the reasons that immigrant women in many instances, and perhaps more so than other groups, face barriers to full integration and participation in our society socially, politically and economically.

Therefore there is a strong need there, which perhaps is greater than official language training to which we devote a tremendous amount of public resources in this country. Yet one would have thought that it was a basic part of being Canadian to learn to speak both official languages. It is an opportunity that should be there, though it is an opportunity that would not necessarily be taken up by all people.

• (1135)

I see that I am getting the sign that my time is up. I could go on at length on this subject but in closing I will again commend my hon. friend for bringing forth this motion. I assure her that it is a very high priority with the Minister of Multiculturalism and Citizenship. I assure the member I will be supporting the motion when it is put before the House.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also rise in support of the motion by the member for Saint-Laurent—Cartierville and commend her for bringing this forward.

The motion asks the government to:

> —amend the Canadian Citizenship Act to ensure it reflects the evolving nature of Canadian society and considers Canada's commitment to diversity and individual human rights.

I agree with most of the points that both my colleagues have raised. This is certainly a non-partisan issue. This is a question of great importance to all Canadians. The point the hon. member raised about swearing allegiance to Canada rather than to the Queen is again something that we should move to as quickly as possible.

For five years the Minister of Multiculturalism and Citizenship—and I wish we could reverse the importance of those two words—has been proposing amendments to the Canadian Citizenship Act. Amendments to the Citizenship Act of 1974 are long overdue. Our population has greatly changed and greatly increased. In 1974 we were a country of 12.5 million people. Now we have over 27 million people. We have maintained about the same proportion of immigrants each year, 16 per cent, but the numbers have greatly increased and the countries of origin have changed.

It is very important that our concept of citizenship and our Citizenship Act must reflect the multicultural and multiracial nature of Canada. It must be concerned to a greater degree than it is at present with the rights and responsibilities and the education of all our citizens, both native-born and immigrants. The present act pertains mostly to new immigrants.

As a country that is rich in cultural and racial diversity we have much to learn from each other as we forge ahead to redefine ourselves as a country and to clarify our goals as a unified nation. Any changes to the act should involve wide public education and consultation, which is in itself an educational process. Canadians should be encouraged to carefully reconsider what it means to them to be Canadian.

I agree with my Conservative colleague that we need more emphasis on civics and Canadian studies in all our educational systems, including adult education.

The Citizenship Act needs to be reviewed and updated to truly reflect the nature of modern Canada. We have come of age. We are a bilingual country that recognizes the two official languages of our founders, but we are no longer a white colonial society that can ignore the rights of aboriginal people and newcomers who are not of English or French heritage.

Canadian society has evolved and changed over the past 46 years. In the 1960s four out of five immigrants were from Europe, the U.S., Australia and New Zealand. By the 1980s two out of three immigrants came from Africa, Asia, the Caribbean, and Central and South America. Inherent aboriginal rights are now recognized by all governments and by most Canadians. Persons who used to be referred to in the Trudeau years as "others" and are now referred to as allophones, have full rights and responsibilities as Canadian citizens, and they should not be seen as an adjunct.

We are all citizens of a multicultural Canada with equal rights and responsibilities. Although our Canadian culture is constantly evolving we have developed a common sense of beliefs and values. Canadians believe in democracy, justice, and the right of individuals to be free of hunger, violence and poverty. Canadians want a caring and compassionate society that cares for children and the elderly, that ensures education and jobs and promotes the universality of health care, the kinds of things that we were proposing in the social charter in the constitutional draft. Our national values are reflected in the pride and participation of our citizens. Last summer's Voyageur program was very successful for young people. It was an exchange between different regions of Canada and should be an annual event to promote friendship and understanding between regions, francophones, allophones, aboriginal people and anglophones.

• (1140)

Our national symbols, our role in the United Nations and our international peacekeepers promote pride. These are the kinds of things we should not be shy about. We should be proud we are Canadian. Certainly those who travel realize very quickly how fortunate we are to be Canadian citizens.

Citizenship requires responsibility as well as rights. Citizens participate in the political process, in strengthening our communities, in eliminating discriminatory barriers and in supporting social justice ideals. The Citizenship Act needs to be revised to reflect these values and to include the commitments under the Canadian Charter of Rights and Freedoms which states in section 15: "Every individual is equal before and under the law".

New and old Canadians must accept this as a given. We no longer should have to challenge these rights under the charter. We must work vigorously to eliminate the inequalities and injustices that unfortunately exist in our daily lives and in society as a whole. Racism must never be tolerated.

Canadian citizens want to have equal opportunities in jobs, education and training. We prosper as a nation when people reach their full potential, when they are not ghettoized in dead end, minimum wage jobs, when the cycle of poverty is broken and violence in all forms is ended. The Citizenship Act must clarify policies for newcomers, as it has in the past, how they apply for citizenship, what are their rights and so on. It should be available to citizens, as my colleague has stated, in their first language.

There must be an increase in language training opportunities for all newcomers in order that they will be able to participate fully in Canadian life. This is something that has been very lacking. The cutbacks in language training and the cancellation of the SLT program are a real detriment to citizenship.

The Citizenship Act should also be reviewed so that the legitimacy and the integrity of citizenship judges are clear. Judges should not be political patronage appointees. A review of the Citizenship Act must address how appointments are made, what qualifications judges should have and why citizenship judges are different from judges and courts other from the legal courts of Canada.

Amendment to the Citizenship Act must include a responsibility to develop citizenship education programs. This I cannot stress too strongly. I am very concerned about the cuts this government has made to citizenship training. Many new Canadians are better informed as to what it means to be Canadian than are those of us who are born in Canada. We need to broaden citizenship education and make it meaningful to all segments of Canadian society, in the schools, through public programs using modern media techniques such as videos and television.

We must all have a better knowledge of Canadian history, including our ethnic history. The recent referendum showed that Canadians want to revitalize their citizenship and have an active say in public affairs. It is time for a review of the 1947 Citizenship Act. In amending the act we must do away with the distinction between Canadians by birth and Canadians by choice. Every citizen is part of our Canadian family with equal rights and responsibilities. Citizenship is a commitment between citizens with each other and with Canada. It is an active partnership.

I say to the Minister of Multiculturalism and Citizenship, let us get on with this important job right now.

• (1145)

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I am delighted to be rising to speak in support of the motion of my colleague from Saint-Laurent—Cartierville. It is a very timely motion and I hope we will be passing this resolution unanimously at the end of the day.

I am happy and proud to be a member of the Liberal Party that introduced the first Citizenship Act in Canada, the party that has given Canadians the right to citizenship. From 1947 till now we have had a number of amendments to this act but it was not until lately that I began to have direct interaction with the act as well as with the system as a whole, only to realize the large number of deficiencies that exist in it.

Currently a landed immigrant after three years is eligible to apply for citizenship. The first step for that person is to call the citizenship office in order to obtain an application. Like any other department, the person phones in and is told to drop by and pick up an application form. This is the first hurdle an immigrant is faced with, the fact that it takes not one day, not two days, not three days, not one month, not two months, but up to nine months to obtain an application form for citizenship.

The act says one is eligible for citizenship after three years but now it is three years plus nine months to obtain the application form. One obtains the application form, fills it out and then submits that form. You would be surprised to learn, Mr. Speaker, that it takes up to one year after having made the initial application, not to obtain your citizenship, but to have an interview with a judge. It is now three years, plus nine months, plus another year or four years and nine months before being able to see a judge in order to obtain citizenship.

I could repeat some of the horror stories I have heard in my riding of Ottawa Centre and throughout the national capital region. If it happened that the applicant was one of those unfortunate ones who had not received an education back in the old country, and had come here 30 years ago from Italy or 40 years ago from mainland China or Hong Kong, then he or she was not really provided with the tools necessary to obtain an education, never mind in English or French, but even in his or her own mother tongue. We are faced with the horror stories I am about to begin telling the House.

An applicant, a 63-year old lady, who had never been in school in her entire life and who had been in this country for over 37 years wanted to have an interview with the citizenship judge, only to be asked—and I will say this in French because I have the question here in French—

[*Translation*]

"What province produces the most oil and the most electricity?"

[*English*]

I do not know how many people would know nowadays. The level of production changes from day to day pretty well. Probably Newfoundland now can claim it has the potential to produce more oil than any other province.

[*Translation*]

Another question is: What province has the most forests?

[*English*]

It depends which province has cut the vast majority of the trees out there.

[*Translation*]

Another one is: Name the five Great Lakes between Canada and the United States.

Another question is: Name the three levels of government.

[*English*]

This one intrigued me: Name the three levels of government.

[*Translation*]

[*English*]

I was a municipal politician and I was told, as are Canadians told, that we have, depending on the province you are in, four levels of government: the federal level; the provincial level; and in our case in Ontario we have what we call the regional level; and then we have the municipal level of government. Do not tell that to school-boards because they might get all upset because they consider themselves as another level of government.

I want to share with the House one question one applicant was asked. She was denied citizenship because she was asked: How do you vote? The applicant said she had put a check-mark in the box. She was denied the right to citizenship because she was told she had to put an *x*.

• (1150)

Mrs. Maheu: That is not true.

Mr. Harb: Mr. Speaker, I do not know. Many people vote with a check-mark or an *x*. Both of them are accepted.

Another applicant was rejected because one of the questions she was asked was: Where does the Queen sit? Innocently the applicant said she sits on a chair. That was wrong. She sits on a throne. Along with a couple of other questions the applicant was denied citizenship.

This applicant is 63 years or 64 years old and has no choice but to apply again. Five years later the applicant will apply and the same story will repeat itself.

I have a confession to make. I challenged all those applications that were rejected when I had had a chance to examine the background of the people. I discovered they are illiterate not only in English or French but also in their own mother tongue, especially those over the age of 55 years. I took their cases to the Federal Court. There again you are faced with a lengthy delay of up to about one year because there is a backlog.

The ministers already know about those difficulties and have not taken any action on them. To add to the agony of all the people in Canada in 1990 we had 114,478 citizenship applications and guess how many judges we have. We have 48 judges to deal with 114,478 applications in 1990. This adds up to about 2,000 applications per citizenship judge. It is highly unfair and cannot be done unless the system is looked at and unless the Citizenship Act is overhauled altogether.

I say this because a Gallup poll has released information indicating that 30 per cent of Canadians cannot pass the citizenship exam or test.

Mrs. Maheu: And foreign Canadians.

Mr. Harb: That is almost one in every three Canadians would not be able to pass the citizenship test.

Mrs. Maheu: Born Canadian.

Mr. Harb: Born Canadian. I am not sure if native Canadians have been taken into consideration as part of the statistics. If not that will increase the statistics by 10 per cent.

Who are we kidding? The citizenship test as we know it, the Citizenship Act as we know it, does not fit the need and does not help to build a better citizen. We have

to overhaul it so that we are bringing people into the system and integrating them, not scaring them away.

It is really quite intimidating for immigrants when they are told they have to appear before a citizenship judge. It is well known everywhere that when you go before a judge you are either guilty or innocent, so you go in with that feeling when you make an application or pass a test. To some of these people who are over the age of 60 and have not had a chance to go to an educational institution, it is quite intimidating.

I do not want to be the one who is always going after the department without making some tangible recommendations. I will run down these recommendations very quickly.

We have to acknowledge the problem of illiteracy and ensure the Citizenship Act takes that into consideration. We have to ensure that there are citizenship courses that are equally accessible to all applicants nation-wide.

As my colleague has suggested we have to overhaul the Citizenship Act to reflect the realities of the nineties. We have to ensure that citizenship judges are fully qualified. We have to make sure all references to judges in court have also been looked at.

We have to consult with all levels of government to ensure we have an educational system that in fact is educating the people about citizenship.

Finally we have to co-ordinate our efforts as a whole from the school-boards, the municipalities, the provinces and the federal government in order to find out what it is we are teaching those arriving in this country and what it is we are teaching our children when it comes to real Canadian citizenship.

There is a lot of work to be done. We have not yet begun and this is a chance for the minister to move quickly on this issue.

• (1155)

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, I too welcome the opportunity to speak to the motion of the member for Saint-Laurent—Cartierville because I agree with the principles contained in it.

Over the last year our government has indicated that it intends to introduce a new citizenship act as part of a comprehensive approach to strengthen the value of Canadian citizenship. The Minister of Multiculturalism and Citizenship feels that a new act should, to use the words of the member's motion, "reflect the evolving nature of Canadian society and consider Canada's commitment to diversity and individual rights".

The issues covered in the motion before us today are already part of the basic premise of the Department of Multiculturalism and Citizenship. The department ensures that the evolving nature of Canadian society is well reflected.

This government takes very seriously its commitment to Canada's diversity and individual human rights. We are building a Canada in which our institutions, our laws and our way of life reflect the values all Canadians share.

What are these values? They include a spirit of generosity and compassion, a belief in equality and fairness, a commitment to consultation and peaceful dialogue, and a respect for diversity. Canadian citizenship reflects these values. Canadian citizenship is about promoting a sense of community affiliation, national identity and shared purpose. Canadian citizenship is about building a Canada where everyone feels at home. Canadian citizenship is about making sure everyone participates in building our future together.

Canadian citizenship should also be about responsibility. One of our colleagues has mentioned responsibility: the responsibility Canadians feel toward peace, order and good government, and the responsibility to ensure that true family values are promoted, that law and order are cornerstones of our society, and that we help the less fortunate, especially the elderly, the disabled and the children. There is a responsibility to be productive members of society.

Canadian citizenship ultimately is about full and equitable participation of all Canadians in their communities. We are already committed to diversity. Our multicultural society and its linguistic duality are founded on mutual respect. The right to freedom of expression, religion and culture is enshrined in Canada's Constitution and laws.

Increasingly Canada is drawing strength from this diversity. Newcomers to Canada are welcomed and encouraged to contribute to our future on an equal footing with all Canadians. Canada's commitment to human rights already is well established. The fight for a Canadian bill of rights and later the Canadian Charter of Rights and Freedoms, the Multiculturalism Act and the proposed amendments to the Canadian Human Rights Act all indicate that entrenchment of human rights has been a major concern of all Canadian governments past and present.

However the government is not prepared to rest on its laurels. Our commitment to diversity and individual rights is not dormant.

• (1200)

We have an expanded view of Canadian citizenship that focuses on inclusiveness, equality of opportunity and responsible participation by all Canadians.

The Acting Speaker (Mr. DeBlois): 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 list of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-118, an act to amend the Export Development Act, as reported (without amendment) from a legislative committee.

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): There are nine motions in amendment standing on the Notice Paper for the report stage of Bill C-118, an act to amend the Export Development Act, all in the name of the hon. member for Cape Breton Highlands—Canso.

[*Translation*]

Motions Nos. 1, 2, 3, 4 and 5 will be grouped for debate and voted on as follows:

The vote on Motion No. 1 will apply to Motions Nos. 2 and 4.

The vote on Motion No. 3 will apply to Motion No. 5.

[*English*]

Motion No. 6 will be debated and voted upon separately.

[*Translation*]

Motions Nos. 7 and 8 will be grouped for debate and voted on separately.

[*English*]

Motion No. 9 will be debated and voted upon separately.

[*Translation*]

I will now submit motions Nos. 1, 2, 3, 4 and 5 to the House.

[*English*]

MEASURE TO AMEND

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso) moved:

Motion No. 1.

That Bill C-118 be amended in Clause 4 by striking out lines 30 to 33 on page 2 and substituting the following:

"directly or indirectly, exports from Canada to other countries and Canadian capacity to engage in those exports."

Motion No. 2.

That Bill C-118 be amended in Clause 4 by striking out line 37 on page 2 and substituting the following:

"corporation may,".

Motion No. 3.

That Bill C-118 be amended in Clause 4 by striking out lines 38 on page 2 and substituting the following:

"(a) as security for any loan made, guarantee issued or other liability assumed under this Act, acquire and dispose of any interest in".

Motion No. 4.

That Bill C-118 be amended in Clause 4 by striking out lines 41 on page 2 and substituting the following:

"the effect of providing, to any person carrying on business in Canada, any".

Motion No. 5.

That Bill C-118 be amended in Clause 4 by striking out lines 1 and 2 on page 3.

He said: Mr. Speaker, before I begin to discuss the substance of the first group of amendments in my name, I have had discussions with the parties and I would like to seek unanimous consent of the House to make a wording change to Motion No. 1. I would ask if this is the appropriate time to make that wording change.

The Acting Speaker (Mr. DeBlois)): Is there unanimous consent for the hon. member to make a wording change?

Some hon. members: Agreed.

Mr. LeBlanc (Cape Breton Highlands—Canso): The wording change I propose for Motion No. 1 which has been worked out in the last few minutes, and I will try and be faithful to that change, would be:

That Bill C-118 be amended in Clause 4 by striking out lines 30 and 31 on page 2 and substituting the following:

"directly or indirectly, Canada's export trade and Canadian capacity".

• (1205)

I would like that modification to be noted for the record and with unanimous consent my amendment to be modified accordingly. With that understood, let me say briefly why I have introduced these amendments to this legislation.

First, I am a little uncomfortable in making these amendments at report stage because this work ought to have been done in committee. Unfortunately the speed with which the committee dealt with this bill did not allow for it.

The Acting Speaker (Mr. DeBlois): Order, please. The Chair would appreciate receiving your amendment.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I was saying I am uncomfortable to a certain extent introducing these amendments because the work on and the proper explanation of these amendments ought to have taken place in committee. Unfortunately the legislation came forward without the adequate consultation it should have received within the communities of interest affected by this change in the mandate of the Export Development Corporation.

To the extent that it was discovered in committee and too late to make the appropriate changes there, there were some real concerns with the expansion and the degree and nature of the expansion of the mandate being accorded to the Export Development Corporation. That is the rationale behind the amendments I have proposed in this grouping for the House to consider.

I want to make it clear to the House that my party and I support the extension and the modernization of the powers of the Export Development Corporation to provide assistance to Canadian exporters and the Canadian exporting community to carry on business abroad and to facilitate exports that are important to the Canadian economy and to jobs in Canada.

We fully support the principle of modernizing and expanding the mandate of the Export Development Corporation. We realize in order to do so in this new international financial environment requires the legislation creating the Export Development Corporation and going back to 1969 to be updated and expanded for the corporation to be permitted to engage in the various forms of financial support it has now become obvious in our globalized trading environment is necessary for our exporters to compete adequately around the world.

Therefore our support of the principle of modernizing the mandate of the Export Development Corporation remains. However, I think members on both sides of the House would agree that there was a legitimate, heartfelt and realistic concern that the legislation was open-ended and broad. This permitted, to the concern of some of the interested parties, the Export Development Corporation to be involved in activities that were not directly related to the support of Canadian exporters and to Canadian trade.

• (1210)

The open-ended nature of the legislation was combined with the fact that the regulations in which the powers of the corporation were to be expressed were not available to us in the committee or to the interested public. The fact that those regulations had not been specified and that the legislation was so broad was a subject of concern.

One of the concerns had to do with the fact, as it was understood in committee, that the legislation was allowing the corporation to engage in activities that were not, at least on the face of it, directly related to the promotion of Canadian exports.

I think it is worthy of being brought before this House that the legislation should be tightened in that respect to link the mandate of the corporation in the legislative framework more closely to the promotion of Canadian exports, the promotion of the Canadian exporters and jobs related to Canadian exports and investments abroad.

That is the purpose for this group of amendments that I am introducing here. I should say that we have reviewed the amendments with the Export Development Corporation and it has concurred with the modifications that I have introduced to this House. In fact it has helped us with the language.

Since I think all parties in this House are in agreement with allowing the Export Development Corporation to have the kind of mandate it needs to facilitate and support Canadian exports, then it should be known that the change to Motion No. 1 would, in its view, allow it to do that. At the same time it would bear in mind the express need to make it clear that we are really dealing with exports and Canadian exporters.

I hope that introduction explains the motivation and purpose behind this group of amendments.

[*Translation*]

The Acting Speaker (Mr. DeBlois): This is just to say that the new wording of Motion No. 1 presented by the hon. member for Cape Breton Highlands—Canso is in order.

[*English*]

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I want to just briefly thank the hon. member and his colleague for working with the government to try to achieve an amendment that those on both sides of the issue can live with. Motions Nos. 1 and 2, as proposed by my hon. friend, are indeed acceptable to the government.

I want to make a point that I think all members should be aware of. At second reading this bill was supported by all three parties. As my hon. friend said, the committee did its work quickly but it did it with consent and discussion among the three parties that were participating. That is why this legislation is before the House. It is to facilitate and assist Canadian exporters. I think it is important to the Canadian Exporters' Association.

When the association came and spoke before the committee it indicated that it was very anxious to get this legislation through. The government engaged in very extensive consultations prior to introducing this legislation. I think I can say that my hon. friends opposite in both parties are with us for seeing the growth of the Canadian economy through this very important area of trade.

• (1215)

It is important to us that this happens. In order to assist Canadian businesses and Canadian exporters it is important for the Export Development Corporation to have flexibility as well as the authority that this legislation will grant them in order for it to do just that.

At this point Motions Nos. 1 and 2 are the only ones up. Is that right, Mr. Speaker? Motions Nos. 3, 4 and 5 have not been moved. With those remarks I want to thank my hon. friend and indicate that both of those amendments are acceptable to the government.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I just want to say very briefly on behalf of my caucus that we are supportive of the amendments brought forward by the member for Cape Breton Highlands—Canso. We would join with them and the government in terms of praise for the Export Development Corporation and the work it does.

Mr. McCreath: I rise on a point of order, Mr. Speaker. I asked if Motions Nos. 3, 4 and 5 were before the House. I believe the indication I had was that they were not. Do I understand that that is not correct? Are Motions Nos. 3, 4 and 5 before the House because I have a brief comment that I wish to make with respect to those. May I do so?

The Acting Speaker (Mr. DeBlois): I remind the hon. member of the ruling made earlier that Motions Nos. 1, 2, 3, 4 and 5 are grouped for debate and the vote on Motion No. 1 will apply to Motions Nos. 2, 4 and so on. The debate is on Motions Nos. 1, 2, 3, 4 and 5.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, if it would be agreeable to the House I would be willing to split those motions in terms of taking Motions Nos. 1 and 2 together as a group and Motions Nos. 3, 4 and 5 as another group. Could I request that for the purposes of voting?

[*Translation*]

The Acting Speaker (Mr. DeBlois): Since the Speaker is the servant of the House, I have no objection, if there is unanimity, to grouping Motions Nos. 1 and 2, having the vote on Motion No. 1 apply to Motion No. 2, and then considering the other three motions, Nos. 3, 4 and 5, with the vote on Motion No. 3 applying to the other two.

[*English*]

Is there unanimous consent to proceed?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The debate is on Motions Nos. 1 and 2.

Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 1 agreed to.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Therefore the vote also applies to Motion No. 2.

I will now call Motions Nos. 3, 4 and 5 since they have already been moved.

[*English*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, in moving Motions Nos. 3, 4 and 5 let me just say this. The spirit or the purpose for these three amendments to the legislation is to link the expanded mandate of the Export Development Corporation to the work which it is primarily engaged to do. That is to support and promote Canadian exports through the provision of financial insurance, leasing and other related services to our exporters and to the partners that our exporters work with around the world in order to gain access to other markets.

• (1220)

Motion No. 3, if I may explain, has the effect of linking two paragraphs in the revised Export Development Act, namely, paragraph 10(1)(b) and paragraph 10(1)(d). These oblige the corporation, when acquiring and disposing of interest in properties and in leasing properties, to be related to the purposes for which the Export Development Corporation is in existence, namely, supporting exports and the exporting community. That is the main motivation behind Motion No. 3. It is again in support of our interest on this side of the House in order to ensure that the legislation supports the Export Development Corporation in carrying out its mandate.

Motion No. 4 which adds a clause to paragraph 10(1.1)(b) would require that the person who is assisted by the corporation—I refer to a corporate person as well as an individual—would be carrying on business in some way in Canada. That is the motivation behind that amendment and it supports our understanding of what the purpose of the Export Development Corporation is.

In addition, Motion No. 5 means that that particular clause would be rendered redundant if the other motions were accepted.

Nothing in these amendments would be intended to exclude the EDC from entering into leasing arrangements. That is not our intent and that is not our understanding by the changes we are proposing in this amendment. They are intended to facilitate the Export Development Corporation's activities but at the same time to ensure in the legislation that those activities relate to their central concern, which is the promotion of Canadian exports.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I wish briefly to respond to my hon. friend's amendments which the government cannot agree with.

We believe that Motions Nos. 3, 4 and 5 have the effect of removing the flexibility a revised act will give the Export Development Corporation to help Canadian companies in their pursuit of globalization. The govern-

ment will not stand in the way of any Canadian company going global. This is why these motions are unacceptable.

For example, Motion No. 3 would prevent the EDC from being able to use innovative financing techniques such as leasing to support the international trade efforts of Canadian companies. Our purpose in introducing Bill C-118 was to enhance EDC's ability to offer creative solutions to the trade problems of Canadian firms and not to restrict EDC's ability.

If Motion No. 4 were adopted, for example, its effect would be to prevent the EDC from supporting exports where such exports are financed or undertaken by a person who does not carry on business in Canada. This would mean that if a Canadian company had received financing for an international transaction from a source outside Canada, the EDC would not be able to offer that source insurance for the transaction. The government would not want to see sales opportunities lost to Canadian firms because of the limitations of the Export Development Act. Therefore, these three motions are not acceptable to the government and we will vote against them.

• (1225)

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): Negatived on division. The same vote also applies to Motions Nos. 4 and 5.

Motion No. 3 negatived.

The Acting Speaker (Mr. DeBlois): The next question is on Motion No. 6.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso) moved:

Motion No. 6.

That Bill C-118 be amended in Clause 4 by adding immediately after line 8 on page 5 the following:

"(8) Subject to subsection (9), the Minister shall cause to be published in the *Canada Gazette* at least sixty days before the proposed effective date thereof a copy of every regulation that the Governor in Council proposes to make under this Act and a reasonable opportunity shall be afforded to interested persons to make representations with respect thereto.

(9) The Minister is not required to cause to be published a proposed regulation if the proposed regulation

(*a*) has been published pursuant to subsection (8) whether or not it has been amended as a result of representations made by interested persons as provided in that subsection; or

(*b*) in the opinion of the Minister, makes no material substantive change in an existing regulation."

He said: Mr. Speaker, this motion is motivated by the need for greater consultation in the development of any changes to the legislative mandate of a corporation such as the EDC with the other stakeholders which are affected and with which it works in the conduct of its activities, namely the banking community, the insurance community, the exporting community and others.

What became apparent during the course of this legislation was that this consultation did not occur and it was difficult for us to properly evaluate the legislation at committee.

Motion No. 6 would act to require that prior consultation be carried out regarding the regulations that would support any changes in legislation so that when any legislation comes before Parliament the regulatory support is there and the consultation has taken place.

I would also add in support of this change that it is consistent with the recently released report of the finance subcommittee on regulations and competitiveness which recommended in recommendation 7.6 and I quote: "Wherever possible stakeholders should be brought together at the problem definition stage of regulation development to reach a consensus on goals, priorities and allocation of resources for achieving them. Consultation at this stage should be most effective".

I think that is important in legislation such as that which we have before us. We would be giving effect to that report by passing this amendment to Bill C-118. I would hope that the House would agree with that.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, consistent with this government's belief in transparency in the

policy development process, this motion is acceptable to the government.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion No. 6 agreed to.

[*Translation*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso) moved:

Motion No. 7.

That Bill C-118 be amended in Clause 5 by striking out line 14 on page 5 and substituting the following:

"exceed an amount equal to ten times the".

Motion No. 8.

That Bill C-118 be amended in Clause 5 by striking out line 32 on page 5 and substituting the following:

"shall be taken into account."

• (1230)

He said: Mr. Speaker, we have decided to withdraw these two motions, and I have the consent of my colleague Mr. MacLaren to withdraw Motions Nos. 7 and 8, if need be.

[*English*]

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to withdraw these two motions?

Some hon. members: Agreed.

Motions Nos. 7 and 8 withdrawn.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso) moved:

Motion No. 9.

That Bill C-118 be amended in Clause 8 by striking out lines 35 to 43 on page 7 and substituting the following:

"25. (1) Unless the rights of the Corporation are terminated pursuant to this Act, the right of the Corporation to carry on its business is limited in the following manner, namely:

(*a*) if Parliament sits on at least twenty days during the month of March in the year that is five years after the year in which this section comes into force, the Corporation shall not carry on its business after March 31 of that year; and

(*b*) if Parliament does not sit on at least twenty days during the month of March in the year that is five years after the year in which this section comes into force, the Corporation shall not carry on its business after the sixtieth sitting day of Parliament next following March 31 of that year.

(2) For the purposes of this section, Parliament is deemed to sit on each day that either House of Parliament sits."

He said: Mr. Speaker, Motion No. 9 in effect is a sunset clause. It would require that this legislation be reviewed by Parliament within five years and that Parliament reapprove this legislation within five years.

The amendment is motivated by the following consideration. This new mandate which we support in general terms is a much broadened mandate for the Export Development Corporation. We have not seen the regulations which support the mandate so this Parliament is not in a position to evaluate the nature in which this mandate is to be used. We feel it is important that the new framework be evaluated by Parliament at an appropriate time and five years would be an appropriate time to do that.

The review is there in the original legislation but this review would ensure that Parliament actually approves and extends the mandate that we have conferred with this legislation and if events change within the next five years, the Parliament of Canada will have an opportunity to fully revisit this issue.

I think in terms of the government's commitment to transparency which was just articulated by my colleague a few minutes ago it would agree with this rationale, agree with this amendment and with the desire of all members of this House to ensure that Parliament is given the powers and the opportunity to review at appropriate junctures legislation which affects the vital interests of Canada.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, my hon. friend knows that the Export Development Corporation reports to Parliament on a yearly basis through its annual report and through the tabling of its corporate plan. Of course it could be called before a committee of Parliament every time.

Nevertheless the persuasiveness of his argument is such that consistent with the government's commitment to transparency this amendment and motion is acceptable.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am a bit surprised at the government response because if you look at the existing wording of the bill

there is a requirement that there be a formal review at the end of five years.

The motion from my colleague makes no reference to any kind of formal review. Basically it is a sunset clause which means at the end of the fifth year, in March of that year, certain conditions are met and the bill ceases to function.

We have had ample experience in this House with legislation that has an annual sunset clause. With the Unemployment Insurance Act we were asked every December to rush through a bill, all three readings at one time, to extend that aspect of unemployment insurance for another year. There was no comprehensive review. There was no reasoned approach. We just knew that if we did not do it there were going to be a lot of folks out there who were in trouble.

• (1235)

I grant that this kind of legislation is much different. A mandatory review, I would suggest is not perfect because there are some things that could have been done to make it more effective and to give Parliament a greater role in that review. However, to replace a mandatory review with just a sunset clause, what is likely to happen at the end of the five years is the government of the day, because it had other things on its agenda and because we know it takes time for legislation to work its way through, will come to us at the last minute and say: "Look, if we do not pass this legislation the Export Development Corporation ceases to exist. We have got all these irons in the fire and therefore we have to pass it and yes, do not worry. We will have a review".

What would have been more helpful is to take the wording presented by the government in the initial bill which says:

> Five years after the coming into force of this section the minister shall cause a review of the provisions and operation of this act to be undertaken in consultation with the Minister of Finance.
>
> The minister shall within one year after causing a review to be undertaken pursuant to subsection (1) submit a report on the review to Parliament.

That could have been added, like this House did not too many weeks ago under a transport bill, to require that report to automatically be referred to the appropriate standing committee. That standing committee would be automatically seized with the matter, would review the government's report and would report back to Parliament on the appropriateness of this House continuing with the Export Development Corporation Act. That would have been the better approach.

The other thing we have to keep in mind is even if the government decides that it is going to do an internal review leading up to the five years, that will shift the focus from the administration of the act by those seized with that responsibility to on the one hand make a legitimate review of the act and on the other hand: "How do we keep this act so we can keep our jobs?" That is putting it in a very crass way.

The long and the short of this is I will oppose this particular amendment because I do not think it is in the best interest of the Export Development Corporation and it will hamstring the government of the day as well as this House in terms of providing a legitimate review of a very important element in the Canadian economy.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my remarks will be short.

I, of course, stand in support of my colleague's motion. I think the member from the New Democratic Party is over-reacting here. I think it is incumbent upon us to take a look at the annual report on a yearly basis. If we are getting a sense that the mandate of the Export Development Corporation is not living up to what we together in this House have agreed to, then I think there is lots of time to react to that.

In fact there is nothing preventing us from putting this bill to committee immediately and there is nothing wrong with putting it back on the legislative agenda.

We are depending heavily on the support, skill and expertise of the Export Development Corporation. If we get a sense that what we are doing here is not really meeting the objectives, there is nothing stopping us from bringing this bill back to the House of Commons right after the report is put forth.

There is one thing that does concern me about this bill. I mentioned it before and I am sure members will remember.

My concern with this bill is not with the actual Export Development Corporation itself. My concern has to do with the small business sector. I find there are many

small business people in our country who know very little about the Export Development Corporation.

We have all stated in this House repeatedly in the last few months that the greatest hope for new job creation lies with our small business community and we have also stated repeatedly that exports are the mainstay we are going to be looking to and depending on.

• (1240)

The Export Development Corporation should be sensitized to the fact that it must spread the message to a greater number of small businesses in our country so they can be included in the Export Development Corporation portfolio.

In conclusion, I think my colleague's motion more than meets the requirement to make this a good piece of legislation.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, I have listened to the brief discussion we had on Motion No. 9. I have listened with particular attention to the comments of our colleague from the New Democratic Party. I do not think there is anything contradictory in his approach to that developed in Motion No. 9.

My colleague from Broadview—Greenwood has already explained that there is an annual opportunity to review the workings of the Export Development Corporation. Indeed it could be more frequent than annually at the initiative of a parliamentary committee.

That opportunity stands and will continue to be in place to give Canadians, who ultimately are the stakeholders in this corporation, the opportunity to ensure that it is functioning along the lines we all seek.

The purpose of Motion No. 9 is to add to the opportunity for a thorough review of the corporation and its activities and to assess its mandate in light of changing circumstances. There are few things more dynamic in the world today than trade. We must strengthen the ability of the EDC to ensure that Canada plays a leading role in international trade in full co-operation, of course, with the private sector. This will be enhanced if we proceed with Motion No. 9 in light of the fact that the annual review procedure is already in place.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion No. 9 agreed to.

Hon. John McDermid (for the Minister for International Trade) moved that the bill, as amended, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. DeBlois): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. McDermid (for the Minister for International Trade) moved that the bill be read the third time and passed.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I just want to make a few very brief remarks on third reading and thank all members of the House for their co-operation in enabling us to deal with this very important piece of legislation.

I would like to take members back to the day when the minister introduced the legislation. This is interesting. I was reviewing his comments at that time. He said:

> Canadian firms recognize that they have to succeed internationally if they are going to stay competitive and keep offering Canadians high income jobs.
>
> Exports in international investment have sustained our economy through a difficult recession. How well Canadian companies perform in the international marketplace will influence our future prosperity.

• (1245)

Those are some of the comments the minister made at that time.

I think it is important to note that the purpose of this legislation is to enable the Export Development Corporation to better serve Canadian exporters. This legislation has come forth because it is in the interest of all Canadians to facilitate exports which lead to jobs and economic growth in Canada. These amendments will

provide Canadian entrepreneurs with a more comprehensive array of insurance and other financial support services for overseas projects. They are directly in response to requests that have been made to the government and the Export Development Corporation. It is an important piece of legislation that we are dealing with today.

The amendments are part of the government's overall economic plan to assist Canadian businesses to remain competitive in international markets and to contribute to Canada's future prosperity through the creation and maintenance of high-wage jobs.

Exports are the engine of growth in the Canadian economy and more than one million Canadian jobs depend on international trade. In 1992 approximately 328,000 jobs were created or sustained by Canadian exporters using EDC's services. Canada's exports continue to set a strong pace with January 1993 figures over 18 per cent ahead of the same month a year ago.

We are making progress. Although we all have been through difficult times with the recession Canada has done well in large measure because of the strength of its export sector and the government's strong commitment to support our exporters.

It is critical that the institutions that support exports including the Export Development Corporation be in the position to continue to offer the services that Canadian businesses need to compete in the global economy.

The amendments will level the playing field for Canadian exporters that compete with firms based in countries that have already expanded their capacities to offer financial and insurance packaging. The amendments will bolster the quality of risk management support for Canadian firms currently doing business abroad and offering services that would encourage small and medium-sized Canadian firms to export as well.

This legislation represents a real win for Canadians and a real win for Canadian exporters. I encourage all members of the House to give it their support.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would just like to add a few words to this debate and say that we once again support the new, updated mandate of the Export Development Corporation.

We hope the legislation we are in the process of passing in this House will provide the kind of support needed by the EDC in conjunction with other players in the Canadian financial community to help our exporters in Canada be fully effective competitors in this new globalized economic environment.

It is well known to everyone in this House that with the integration of the world economy, trade and financial matters are becoming increasingly linked. Financial packaging is becoming as important to the success of Canadian exporters in the international markets as the price and quality of the exports themselves.

Certainly much has changed since the Export Development Corporation was created in 1969. There have been changes in international financing and in the instruments that are used such as insurance, re-insurance, guarantees, leasing and a whole range of financial support that was really not used very much 20 years ago. This legislation is an attempt to reflect that fact and make those facilities available to the Export Development Corporation.

• (1250)

I want to raise a caution. The caution is there and it is partly what is motivating some of the amendments I introduced that oblige Parliament and parliamentarians to pay closer attention in the next few years to the responsibilities, roles and activities of this agency.

We realize that the world and the international economy are changing at a blurring rate. The capacity for us to react as legislators to the changes which are taking place now is limited by the very complexity of the kinds of transactions which are occurring.

At the same time over the last few years we have had fierce debates in this House over trade matters which used to be the purview of experts and have now become issues of vital concern to ordinary Canadians. Canadians know that exports and their financing, insurance and support affect the jobs of all Canadians.

In this country all of our players must work together as much as possible: the public sector players, of which the EDC is an important part; and the private sector and mainly the banking community; the insurance community; the exporting associations; the exporters themselves; the trust and trade companies which operate on international markets; the stock exchanges and a whole range of

institutions which operate in the support and service of Canadian exports.

The activities of the Export Development Corporation which has been provided with a mandate and a privileged position by the Government of Canada to promote Canadian exports must work together with and not at cross purposes to or in competition with some of the other institutions, firms and businesses which deal with the international community.

That is why with the expansion of this legislation and with the regulations still not fully revealed to this House, we have adopted the position of agreeing to give the Export Development Corporation these new powers and of supporting it in the modernization of the kinds of instruments it uses to carry out its activities. However let us make sure that in the context of what is now taking place on the trade front it works with the Government of Canada and all members of this House to ensure that what it is doing is in support of exports and export jobs.

As my hon. friend for Broadview—Greenwood mentioned it must support small businesses and small business activities and work with the banks and other companies to promote exports and Canada's competitiveness. It must not work on its own. That is the caveat we want to flag before this House at this time with this legislation.

We want to express our support for the EDC and its activities in the role it plays which is a vital one in this climate of globalization. At the same time we want to make sure it is using that very important mandate in the service of Canadian exports and with the co-operation of the private sector in Canada under the monitoring and watchful eye of the Parliament of Canada. I think those points have to be made as we conclude debate on this important legislation. We express our support once again for that.

• (1255)

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to speak today on behalf of my colleague, the member for Mackenzie, who has been handling this bill during second reading and in committee but unfortunately is not able to be here today.

I want to say a few things about the bill to indicate that we are supporting it very clearly. I am rising to speak on this bill extending further authority to the Export Development Corporation which I think is a useful thing to do. Crown corporations cannot function when they are restricted and these amendments all add to the ability of the corporation to do its job, which is to assist in the exporting of our products around the world.

The proposals included in the bill provide additional abilities to allow the corporation to meet new competition and new practices that have been developed since the corporation began its operations back in 1944. A lot of practices have changed and a lot of our foreign competitors do have rights and privileges available to them that are no longer available to Canadian exporters simply because we have not brought our practices, laws and rules up to the levels that exist among foreign traders.

My reading of the bill, among other things, suggests that it would permit the Export Development Corporation to take an equity share in some projects that would permit it to act as a catalyst in mobilizing investors, other banks and banking institutions and make it possible for the funding of larger projects to proceed.

Sometimes the ability to take a minor equity position in a project may bring credibility to the whole project that would attract other legitimate investors in the project. The reality is that when we have an equity position we keep a much better eye on where our money or where our line of credit or line of insurance is applied.

As large and long-term projects develop, it becomes more and more necessary for the Export Development Corporation to be involved over a long term and some of the changes that are proposed in the bill appear to facilitate that need.

Another thing that many of the would-be users of the Export Development Corporation have complained about involves the current requirement for setting up a multitude of export development contracts with different countries and different contracts for domestic sales as opposed to export sales so that a company, like a textile manufacturer that exports some of its products, has to keep two sets of accounts, one for its export business and the other for its domestic business. A lumber company that might be doing business both internally and externally will find the ability to offer one

contract for 1300 both internal and export business to be quite attractive.

It also has the effect of spreading the risk of the Export Development Corporation in making it less subject to bad collections in the event of a sudden collapse of a foreign country or a foreign currency market.

Many of our competitors are now in the business of making available to their exporters long-term, pre-shipment financing so that the pre-shipment development costs of getting business are being financed in other countries and in other jurisdictions. The proposed amendments to this legislation would allow the Export Development Corporation to provide that kind of service as well, again a laudable acceptance on the part of the government and the corporation.

In order to do long-term business they are in fact going to have to participate even at the planning and pre-export stages of the project aimed at increasing exports to other regions.

The fourth area that appears to provide some change would be the one permitting or enhancing the ability to support export sales through leasing arrangements. It would permit the EDC to act as a lessor or permit it to take direct equity participation in a lease financing arrangement so that a variety of partnerships could be established.

These proposals provide the kind of flexibility that seems to be there for our competitors and should assist somewhat in providing the infrastructure our exporters require in arranging the financing insurance that go with completing an export sale.

The role of exporting in this country has always been an extremely important one from the earliest days of economic activity when we exported fur to Europe, to the days when we increased our exports to include timber, later wheat and now a wide range of commodities and manufactured goods and services. The role the Export Development Corporation has to play can be a very important one.

I am pleased to assist in the passing of this bill today. I know that the folks in the other place will give it quick consideration and allow us to change the operations of the Export Development Corporation.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C-118. As I mentioned on earlier occasions I am totally in support of this bill.

• (1300)

A couple of my colleagues asked earlier today if I was out on the golf course or biking on the weekend. I can tell them I attended a funeral on the weekend. I attended an outdoor funeral on the Golden Mile in Scarborough in Toronto. It was a funeral for the most productive, the greatest money generating machine in the General Motors fleet, the Scarborough van plant. The Canadian Auto Workers had a funeral on Saturday and this plant is very close to my riding. The men and women who are employed in this factory are from all over our city.

This was a plant that exported 90 per cent of its product, not only throughout North America but sometimes to different parts of the world. This was a plant that in the last 10 years contributed over $2.2 billion to the balance sheet of General Motors.

My friend from Brampton asked the question and I think it is a fair question: What does this have to do with EDC? This has everything to do with EDC because if we are going to revitalize our export market, if we are going to revitalize our small business community, we will have to be much more supportive than we have been with plants like the GM van plant in Scarborough.

Mr. McDermid: What should we have done?

Mr. Mills: I can honestly say to the member for Brampton, the minister responsible for privatization, I do not stand up here today with a magical solution to this and I admit that openly. However I have to say that when 3,500 people lose their jobs directly and another 10,000 to 15,000 in offsets lose and you are part of the community, you cannot disagree with me that this is sending a shiver of confidence through our community, the community that the hon. member and I share.

I know this is a very tough issue for the government. It is bad enough that we are losing plants that are losing money, but when a plant is closed down that has contributed $2.2 billion to the balance sheet of General Motors, what does that do to the trust factor? This is a plant that has won award after award because of its productivity and its quality of product. All of a sudden this great plant that has been exporting—

Mr. McDermid: Mr. Speaker, I rise on a point of order. I do not like it any better than the hon. member, but this really has nothing to do with the Export Development Corporation. This was a corporate decision made by General Motors.

Ford just made a corporate decision to invest billions of dollars in a Canadian plant and hired 1,100 more people for jobs. These things happen. That is a rationalization where 20,000 jobs were being lost by General Motors around the world. It is not just Canada. It has nothing to do with the Export Development Corporation and what we are debating. I would suggest that the hon. member stick to the subject matter of the bill.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The rule of relevancy is the most difficult parliamentary rule to apply. Again, I ask for the co-operation of hon. members on both sides of the House. I did hear the hon. member mention a funeral, but this was in reference to a plant in his riding of Scarborough. I would ask him to keep his remarks more relevant to the debate.

• (1305)

[*English*]

Mr. Mills: Mr. Speaker, it is interesting that the member for Brampton, the minister responsible for privatization, would talk about Ford. I applaud Ford for adding another 1,000 or 1,500 people but that does not take away from the 3,500 people, plus the spin-offs that are being lost at GM.

We are not here in this House as Her Majesty's constructive Loyal Opposition to let something like this go by without a moment's discussion or debate in the House of Commons.

What does this have to do with the bill? This has everything to do with the bill.

Mr. McDermid: It has nothing to do with the bill.

Mr. Mills: The member for Brampton said it has nothing to do with the bill.

This is where the government has really thrown out the creative process. Part of the role of the Export Development Corporation is to encourage, to support, put packages together that will help expand and develop our exports.

I do not think it is wrong to mention on the floor of the House of Commons that we have a highly skilled force of 3,500 men and women in the centre of Toronto that right now are looking for the creativity that an export development corporation has. They are looking to see if the Export Development Corporation with its reputation and its access to people all over the world could maybe bring someone to this plant and hopefully get it back to work.

I am not ashamed to lean on the strength and track record of the Export Development Corporation to say please look out there and see what you can do.

General Motors did not have the creativity and does not have the wherewithal to hold this plant together. The purpose of government is not for those that are advantaged. We are not here to look out for those companies that are doing well right now. Our role in government is to look for those people in our communities and our cities that are disadvantaged. When considering direct and indirect jobs, 20,000 is a very large number.

I do not think it is wrong for us to call on the skill of the Export Development Corporation to please try and find someone that would help put this skilled labour force back to work. That is why I think this Scarborough van plant has a linkage with the Export Development Corporation.

I remember back in 1981 when the Motorola plant at Steeles and Woodbine in Toronto was about to close down. Through the auspices of the Export Development Corporation and with its support the plant developed a world product mandate for a couple of new products. That helped keep the Motorola plant open. It helped find, create, put in financial support and went a long way in keeping the Motorola plant open and productive and it has a world product mandate.

I am telling the members that I hope the Export Development Corporation could use the same skill and resource to maybe find or put some ideas on the table to help put these people back to work.

I know the auto business right now is a tough competitive business but this was one of the anchors of our manufacturing base in Toronto. This was one of the sectors of our economy that we could always count on but right now we are going through a very tough time.

I think for the member to suggest when we are talking about the Export Development Corporation not to talk about the Scarborough van plant when we are closing it this Thursday is a bit too sensitive.

Getting back to the Export Development Corporation, I think there is something else we have to talk about in this bill. I believe there are very few small businesses in our country that have a complete understanding of what the Export Development Corporation is all about. Would the member agree with that? It is a question of whose fault it is. We are on third reading of this bill. I can tell that this government has finally come to the realization that of the economic policies that it has been implementing in this nation very little is working.

• (1310)

It has also come to the realization that the people of Canada are not going to be fooled for the third time. This government has the greatest record for unemployment, perpetrating welfare, and shutting down manufacturing plants. It is the most incredible thing that it is here today while we are trying to be creative and constructive with the Export Development Corporation and while we are talking about the lives of 20,000 people in the city of Toronto and Scarborough that used to be called the Golden Mile in terms of manufacturing and production.

With this government we still call it the Golden Mile but it is inappropriately named because it is a pretty sad thing when one considers that the General Motors plant is the most productive in the entire fleet. I am going to quote a letter that Mr. Rick Fleming, the president of the Canadian Auto Workers Local 303, wrote recently:

> General Motors has stated in their own admission, "the Scarborough Van Plant has been the most profitable assemble operation for General Motors in the world, bar none! The workers have been scheduled to work two shifts, six days a week, for every year of operation including up to date".

The Acting Speaker (Mr. DeBlois): Order, please. I remind the hon. member that the debate is on Bill C-118, an act to amend the Export Development Act and I would appreciate the collaboration of the hon. member.

Mr. Mills: Thank you very much, Mr. Speaker. I have to get back to a tighter focus on Bill C-118 and I agree with you. It is a tough thing when one goes to a funeral of almost 20,000 people losing their jobs. One just cannot let it go.

Let us talk about the bill specifically. We need to give more support to the small business community with these new powers that the Export Development Corporation is about to receive. I stated at first reading and in amendments that I am totally supportive of the Export Development Corporation. I said it in this House of Commons before and I will say it again. I think the president, Paul Labbe, is doing a fantastic job with that particular organization.

However, I have to say that I as a member of Parliament am going to be very frustrated if this bill will not include the small business sector and if there is not an aggressive campaign to reach out and try to bring the small business community into the Export Development Corporation fold.

I hope the government will use the powers it has between now and September to push the Export Development Corporation to explain what the corporation is all about to the small business sector. I believe that if that happens then we will go a long way in creating some new jobs.

I also want to say one last thing to the government. It should not be afraid to call on the creativity of the public servants who are involved with the Export Development Corporation to help us rekindle the spirit in some of the plants that have been closed down because the people over there do not have the creative process left to find anything decent to put into them.

We cannot just ignore these people who are losing their jobs. Get the Export Development Corporation to go out and find joint venture investors. Go to different people who are coming here who could take over a plant that has the kind of facility it has and see if we cannot use the strength of those public servants to get those people back to work.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

• (1315)

Motion agreed to, bill read the third time and passed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Hon. Marcel Danis (for the Minister of Justice) moved that Bill C-109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act, be read the third time and passed.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am pleased to have an opportunity to speak briefly on Bill C-109 and I will do my best to stick to the subject matter of the bill itself in so doing.

It is important legislation relating to electronic surveillance and the interception of radio-based telephone communications. Privacy is the unifying theme of this legislation. It is privacy in two distinct senses.

First, we have privacy as the right to be let alone. This is behind the changes relating to the controls imposed on agents of the state when they are carrying out their assigned responsibilities, which is mainly to detect and investigate crime but also to protect themselves and others from harm. Second, there is privacy as an entitlement to keep secrets. To shield communications from others is behind the changes relating to the cellular telephone.

I would also like to mention two important goals of this legislation as it relates to investigations and prosecutions of offences.

The first is to establish a legal framework within which the courts can fulfil their responsibility for regulating activities of state agencies in their law enforcement efforts when these activities intersect with the right of Canadians to privacy. The second goal is to improve the effectiveness of the investigative and trial process in relation to matters arising out of the use of technologically enhanced electronic surveillance activities.

Bill C-109 amends parts VI and XVI of the Criminal Code to put into place changes arising out of recent Supreme Court of Canada decisions. Many of the proposed changes are aimed at protecting the privacy of Canadians when their private communications activities become of critical interest to the state. Others focus on the procedural regime dealing with the issues of evidence.

A number of other changes are included. One of the most important is that it streamlines the evidentiary and procedural regime applicable to evidence gathered through electronic surveillance.

The bill also deals with privacy and cellular communications aimed at affirming the right of Canadians to be secure in their telephone communications. This is important as a boom of radio-based telephone services is on the horizon.

This bill adjusts the definition of protected private communications to explicitly cover scrambled calls. The purpose is to discourage the development of descrambling equipment. It will also facilitate prosecution for intercepting encrypted communications.

Because radio waves do not respect legal frontiers the bill calls for Canadian nexus for private communications brought within the scope of part VI of the Criminal Code.

The bill also protects the disclosure or use of any intercepted cellular call as well as the malicious or profit-motivated interception of these calls whether encrypted or not. It prohibits the use or disclosing of intercepted radio-based telephone communications and provides a civil right of action which would, among other things, permit an injunction to prevent the use or disclosure of radio-based communications without consent.

Some people are assuming that this bill legalizes listening to cellular calls by the casual scanner. That is not the case. The present law may very well cover the interception of a telephone conversation even if it involves a cellular phone. It depends on the circumstances. What these changes do is to make it clear that some situations are protected even if they do not fall within the current law.

In concluding these remarks I would urge this House to provide strong support for this important legislation. The Canadian law enforcement community awaits it eagerly. It is an important measure designed to better protect Canadians in their communications and against criminals.

• (1320)

It is clearly up to Parliament to ensure that the system functions efficiently and effectively and in a manner that conforms to the requirements of the charter. This bill is directed to that end.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I thank the members on the other side of the House for their warm greeting.

I must say that I have concerns about this legislation. I think that in a lot of ways the general thrust of the legislation is to be commended and is in fact constructive. Nevertheless, I think there are portions of this bill which cause considerable harm and are really counterproductive to what we want to achieve in this country.

The parliamentary secretary discussed privacy and how with the use of cellular phones and cordless phones, which can also be monitored, the government is striving for more privacy. It is legislating privacy where none can of course be reasonably expected to exist.

However, in the other aspect, with the utilization by the police and the authorities of wire-tapping, just the opposite has happened. What we really have is a schizophrenic piece of legislation. The government is striving for the rights of privacy with respect to cellular phones, but in fact privacy may be seriously breached with respect to wire-tapping.

I would like to emphasize that this bill deals with two aspects: the police use of electronic surveillance methods and the introduction of the protection of radio-based communications and cellular phone calls. We have the two different standards for the two different pieces and parts of this legislation.

To underline my concern about the privacy question I want to quote none other than Mr. Justice La Forest who, in a recent Supreme Court case, said: "A society which exposed us at the whim of the state to the risk of having permanent electronic recordings made of our words every time we opened our mouths may be superbly equipped to fight crime but would be one in which privacy no longer has any meaning". This is a concern. Privacy indeed may not have any meaning.

I want to mention a couple of aspects with respect to the first area, which is the police use of electronic surveillance methods, to underline my concern. Under the existing law the prosecutor has to prove that a wire-tap authorization was carried out lawfully, which I think is a good burden of proof. The onus is on the Crown to prove that the wire-tap authorization was carried out lawfully and so it should be.

However, what we have under this legislation is a major change. We have the creation of a reverse onus. The burden is now on the accused. Under this bill the wire-tap would be presumed lawful unless the defence could somehow prove otherwise. It is a major change.

I have a second concern with respect to the wire-tapping part. Under the present situation the police must now satisfy a judge that a wire-tap is absolutely necessary. With this piece of legislation this bill would free police to tap phones if they believe it would prevent a serious crime. This is a massive loophole that could be used in almost any situation. It would allow police to invade personal privacy without any accountability to a judge, prosecutor or superior.

• (1325)

I can understand the need to protect people. I can understand when a crisis arises and the police have to make a decision to stop a crime which is about to happen or protect some person, maybe even a fellow police officer against future recrimination or assault. My concern, however, with respect to the fact that the police can now tap phones if they believe it would prevent a serious crime is that they do not have any accountability. On page 8 of the bill, it says:

> A police officer may intercept by means of any electromagnetic acoustic mechanical or other device, a private communication where:
>
> (a) a police officer believes on reasonable grounds that the urgency of the situation is such that an authorization could not with reasonable diligence be obtained under any provision of this part;
>
> (b) the police officer believes on reasonable grounds that such an interception is immediately necessary to prevent an unlawful act which would cause serious harm to any person or property;
>
> (c) either the originator of the private communication of the person intended by the originator to receive it is the person who would perform the act that is likely to cause the harm or is the victim or intended victim of the harm.

The police need to be able to prevent crime and we do not want to hamstring our police forces. Fighting crime today is not an easy operation. Criminals also have the same technological advances, the same networking and are also very much aware of their rights. We have to allow the police to be able to do their jobs properly. As

members of Parliament this means passing laws which allow the police to do this.

My concern with the right of the police to just make this decision is that there is not the accountability as I have said from a judge, prosecutor or superior. We have no specifications as to what is to happen to this wire-tapped information if we do not proceed with it in court.

If we proceed to court with this information, there is certainly an accountability. It will then be determined whether the wire-tap information meets the criteria of the section I just read and if it can be admitted or not. But what happens if the wire-tapping takes place on the basis of the subjective decision of the police officer and that police officer or somebody in the police force decides they are not going to proceed with the matter for which the wire-tapping took place? What happens to that information?

Of course we can say it will be destroyed. There is also the accountability, which is not there, to provide some breach of the law if this information is not destroyed and is subsequently used. I think that is lacking and it is very important that there be some criteria to that effect.

This first part grants police something they never had before which is the ability to obtain a warrant forcing subjects of an investigation to give blood samples or to take lie detector tests, even before they are charged.

Now there is nothing wrong with requiring the police to charge somebody before taking a blood sample or giving him or her a lie detector test, but I am very concerned about abuses here. I am very concerned about the person's rights and that there will be abusive situations and a major increase in the taking of blood samples and lie detector tests which really are not warranted on the facts of the situations. We are giving the police a power here which I do not honestly feel is necessary or warranted.

• (1330)

I have concerns. I admit that most of the provisions dealing with the authorization of the police to gather information are quite satisfactory and will help them in their tasks. However, the three examples I have mentioned give me a considerable amount of concern.

I now want to leave the police use of electronic surveillance methods for a minute to go to the second part of this bill. It relates to protection of radio-based communications which are cellular phone conversations or conversations of wireless telephones which can also be tapped. The suggested amendment to section 184.5(1) that is to be introduced into the Criminal Code says that:

> Every person who intercepts, by means of an electro-magnetic, acoustic mechanical or other device, maliciously or for gain, a radio-based telephone communication, if the originator of the communication or the person intended by the originator of the communication to receive it is in Canada, is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years.

The government is saying it is permissible to listen in on a conversation, but it is not permissible to discuss it. We cannot discuss it with anyone. We cannot discuss it with the person standing next to us. If we happen to listen to this conversation we cannot discuss it with our wives or husbands. It is not a question of whether this information is used. It is a question of whether we discuss it with anyone.

It has always been the principle that the airwaves were free and open for any communication. If we wanted to shout to someone across a field or from an open window to the street below, the principle was that the information we yelled was public information.

It also extended to telephone party lines. If we were on a party line and someone listened in to our conversation, that was our fault. We just did not discuss personal matters over the telephone if we were on a party line. That was just the way it was. People who did and had their information received had themselves to blame.

A party line did not allow us an alternative. If we were on a party line we did not have another phone in another room that was not on a party line. Every phone we had was on a party line and probably the fellow in the house next door was on a party line and maybe even the same party line. He may have been the person listening in on our conversations. We had to drive a considerable distance to find a phone that was not on a party line to have a conversation we felt was secure.

Now we have a law which changes not only the principle of the openness of the airwaves, but also the fact that those who talk about a phone call they hear accidentally, intentionally or whatever or who listen in

on cellular phone conversations are now liable under the Criminal Code and the Radiocommunication Act as well.

That of course is a major change. Why have we made this major change? I think the government is really using the law for the wrong purpose. It is trying to sell cellular phones by using the Criminal Code.

• (1335)

That is exactly the sum and substance of this part of the legislation. The major communications companies that manufacture and sell cellular phones will be a source of millions of dollars a year in major licensing fees for the government. Also if the cellular phone companies make a profit they are able to pay taxes. Quite frankly, they have quite a bit of clout with the government. The government is telling people they cannot listen in on cellular phone conversations and relay anything that is said or they will be breaking the law and subject to imprisonment for a term not exceeding five years.

They are also subject under the Radiocommunications Act on pages 23 and 24 where it says:

> Every person who contravenes subsection 9(1.1) or (2) is guilty of an offence punishable on summary conviction and liable
>
> (a) in the case of an individual, to a fine not exceeding $25,000 or to imprisonment for a term not exceeding one year or to both; and
>
> (b) in the case of a person other than an individual, to a fine not exceeding $75,000.

One may also sue the individual who has listened in on the conversation for an unlimited amount of damages.

Everybody would agree that people should not listen in on cellular phone conversations. The problem, however, is that scanners are in use today. The United States has prohibited the importation and manufacturing of scanners. It has not outlawed the scanners which are in use right now. I think there is a distinction between what the government is trying to do here and what has been done in the United States because the United States recognizes that people will not have privacy as long as there are scanners.

Calls can be intercepted now but with an increase and improvement in technological advances in cellular phones an increasingly sophisticated scanner will be needed to be able to pick up these conversations. The scanner will have to be able to hone in on ever more remote frequencies.

We are told there are presently 900,000 scanners in the country. That is a ridiculous figure. There are not 900,000 scanners that can pick up cellular phone conversations without being doctored or modified. Very few scanners can do that. When we say there are 900,000 scanners we are talking about devices that can open garage doors. We are talking about radios that can pick up ambulance calls, police calls and things like that. The government is lumping these scanners together in this 900,000 figure, but they are not the ones to be concerned about. We are concerned about the scanners, as in the case of the United States, that are able to pick up calls even with improved technology.

The law should be there to handle people who willingly and knowingly break the law. It should not be used as a means of trying to improve the saleability of cellular phones. I think that is a vital distinction.

• (1340)

I think that as people become more aware that conversations on cellular phones are happening via public radio waves that the companies would be concerned and that this would reduce the marketability of these cellular phones. However, we really have to warn people that their phone conversations can be listened to.

Instead of making people aware of the fact that these phone calls can be intercepted and listened to, the government is moving the other way to try to delude the public into thinking that conversations are safe and that there is not going to be any danger. That is wrong. One can make all the law in the world but that is not going to change the technology. If someone listens in on a phone conversation with a scanner—and any scanners are going to be lawful in Canada—then one has to have knowledge of the fact that they willfully or maliciously told somebody about this conversation.

How many phone conversations do we think are going to be intercepted without any knowledge of the interception or where the information came from? There are going to be hundreds. However, the government is going to continue to make the Canadian people feel that they are safe by passing this law. It will make them feel that if someone breaks the law as stated, then that person is

going to be punished and that is going to safeguard the information on the cellular phone.

I want to just go back again to the party line example where there was no alternative. With a cellular phone there is an alternative. If one has a phone in one's car or one is using a cellular phone in the home then chances are that one has a phone that is not a cellular phone that can be used. If not, then one is certainly not far away from a phone that is not a cellular phone where one can speak about things privately. It is a minor inconvenience certainly to have to change phones, but the fact is that it is possible.

If the scanners were banned as the technology increases, then the likelihood of that cellular phone conversation being intercepted would be decreased. First, the scanners necessary would have to be more sophisticated as the cellular phone technology became more sophisticated. Second, the fact is that few people would have the scanners that would be able to do it because most people do not buy scanners to intercept phone conversations. They buy scanners to listen to the ambulance calls or just to pick up ordinary things on the airwaves. This is a fact.

We are saying that cellular phones, which the Minister of Communications himself even agreed were radios, for the purposes of the law are not radios. They are ordinary phones and cannot be intercepted.

I think we are taking the wrong approach here. I do not think the government is concerned about privacy, certainly not with respect to the first part concerning the police use of electronic surveillance. I think it is concerned with the operations and the profitability of the cellular phone companies. That may be fine. It is important to have jobs and important to improve the business and the economy of this country but not to use the law to do it.

While there is a good deal in this bill which is good, I feel that there are some provisions that are not so good and should be changed.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to rise today in debate of Bill C–109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act.

I do so having participated on the committee for part of the time. I spent a lot of time thinking about the bill and the issues it relates to and thinking about the role that electronic communication has in our society today. We tend to think of this as a cellular phone bill, but I want to remind members that there is more to radio–based telecommunications than cellular phones.

• (1345)

I suspect all of us have hands–free phones at home. The range is probably broader than we think in terms of people in the neighbourhood who can listen in to our phone conversations. We also forget about the new personal phone numbers that are coming with the new mobile phones. I forget the correct term but there are some experiments going on in Canada and some licences have been given for personalized phones. They are sort of like cellular phones but not quite. They are radio–based as well.

This is the point I am making on this aspect. Cellular phones can be scrambled or digitalized or what have you to make it impossible to intercept them at a price. However, it is unlikely that our hands–free phones at home, which can be intercepted by scanners and fixed frequency receivers and other phones that operate on the same frequency, or the new personal phones will have the ability, because of price, to provide the protection of privacy that people would like to think they have.

The dilemma for all of us is this: Do we own our own voices? When we choose to communicate over devices provided by our modern technology do we give up that right or is there some need to provide some additional protection?

It is fairly simple in law to deal with communications that go through what I call land lines. These are copper cables and now fibre optic cables that stretch from one end of this country to the other. Through an electromagnetic device called a telephone we send the signals down through those cables and it comes up at the other end.

We have protections in place to ensure that those communications cannot be legally intercepted unless due process has been adhered to. That due process requires a police authority, whether it is local, provincial or federal, to obtain the necessary authority from a judge under the provisions of the appropriate act and only for a certain period of time and only under certain circumstances.

However, what do we do with radio-based communication? Do we not as well need some protection that works in the 1990s and beyond? We know that our ability as a nation for example to control the airwaves is much more difficult today than it was 30 years ago. I am thinking of full broadcast, television and radio, that knows no boundaries. We were unable to prevent the satellites from sending the signals into Canada from the United States so we put in place mechanisms to ensure that there were some kind of controls and protection for Canadian culture.

However, technology has outstripped some of our abilities. I think the government is trying with this bill to find a way to allow our ability to communicate using radio and telecommunication devices to happen and also to provide some kind of protection for the information sent over those airwaves.

I know that a lot of concern has been expressed around whether or not it is appropriate to prevent, through the Criminal Code, the rebroadcasting of this information.

Someone with a scanner or a fixed frequency receiver and a steno pad and a tape recorder sits down and transcribes the communication between two civil servants in the province of Quebec or a cabinet minister in British Columbia and then publishes or airs that information. That is where we focused a lot of our discussion, but I think we forget that there are more users of cellular phones and hands-free phones than just politicians and bureaucrats. There are business people out there who use them in conducting their daily business; traders, in terms of the stock market and financial analysts. They are business people who are making comments and passing out information on cellular phones. If someone should take that information and use it it may in fact be harmful to that individual and perhaps might even lead to charges down the road. I think we need to keep that in mind when we talk about the protections.

• (1350)

We also need to keep this in mind. Say that one is on a cellular or hands-free phone at home and is ordering something from the Sears catalogue by giving one's Sears number over the phone. If somebody is scanning that frequency then they have your credit card number. While there are other protections in place to deal with the fraudulent use of that credit card, one will not know that it is being used. It is not like one lost the card or one's wallet or purse has been stolen, but that number is out of one's hand and someone is using it.

The same thing applies to telephone credit cards. If one uses that number over a cellular phone or a hands-free phone and somebody is scanning it then they have that number. If it is a Bell card it is fairly easy for them to use it.

Let us talk about our own cards, which is the government line or the calling card. It is not difficult for someone who is in the business to scan the airwaves in our neighbourhoods or around Parliament Hill to catch many of us dialling our 1-800 numbers to get into the government service or dialling the local numbers. They can capture those numbers. At the same time, if we are verbally giving out our calling card number then they have that number too. They can in effect steal access to the government lines.

There is more than just the question of the publication of the conversation at risk here. Legislation particularly in these areas is a matter of balance between the protection of the individual and the rights of society. I think on balance, having thought about it, these particular amendments, although probably going a bit further than all of us would like, are about the only tools that are realistic in today's electronic age.

I want to turn from the telephone aspect in terms of the personal communications that we have to some of the other elements in the bill. I think at the outset I have to say that again we make choices, look for balance and need to balance the rights of the individual with the needs and protections that society requires.

Look at the question of wire-taps where a police force is authorized to go in and intercept the communications either on a land line, radio telephone or what have you. We gave them that tool to ensure that they could do their job to protect us. We also put in place protections for society and the individual whose phone was tapped. Due process had to be entered into. The police could not do it on their own, which is the way it used to be. They could just go in and tap those phone lines and sit there in some dingy basement and listen in to all our conversations.

We as a society stepped in and said that that is no longer good enough. We needed to have some rules in place and that is what we did. We set up a system where they would have to go and get a court order. They were able to do it for a particular period of time and then they had to cease if they did not get the evidence they required.

One of the situations that occurred in the last number of years was that the courts decided that one aspect of that wire-tapping was no longer legal. That is the situation where an individual has agreed to allow his or her phone to be tapped because they were either being threatened by someone else or they were a co-conspirator with another party in terms of a criminal matter. In fact, it could be someone with knowledge of a criminal matter, such as a murder, who wanted to assist the police in terms of getting the appropriate evidence to take that person to court.

There is a specific incident in Thunder Bay where this happened.

• (1355)

A woman allowed her phone to be tapped in order to get proof from a male that he had in fact participated in a murder. Just before that was to go to trial the courts ruled on a separate matter that was no longer legal. Just because one person had given permission the police did not have the right. Therefore they could not use the evidence obtained in that way in the court case.

This bill puts that provision into the law. I think it is a good provision and will assist the police forces where they have been able to get a clear indication of someone's guilt but not the proof, where they find a party willing to have their phone communications intercepted, and they are able to convince the judge of all this information. Keep in mind the judge is the gatekeeper. The judge is the one who decides, not the police, the appropriateness of any of these search warrants, in effect, for telephone taps. That is a plus.

The other one that on balance is worth doing is the one that allows the police in fairly rare circumstances, as I understand the bill, to put in a wire-tap when they believe a serious crime is about to be committed. Again there is due process. They have to destroy any evidence gathered if the police are unable to find that a crime has really happened. They have to destroy any records, such as the transcripts and the tape recording, of that particular wire-tap.

There are some protections that will assist us as a society that do not unduly interfere with the rights of society while at the same time provide the ability to find out whether someone is about to commit a major crime, whether it be a crime of violence or a crime of property. It is an important tool that we need to give to our police forces.

If we look at some of the other legislation we have where the police have been given the right to forcibly enter a home if they believe that a weapon is about to be used in the committing of a crime. I certainly have not heard of widespread abuse, or any abuse for that matter, of that particular power. We have to recognize that our police forces have a sense of public duty and public responsibility. In matters like this we need to have faith that they will do it in the appropriate way and they will not abuse these kinds of powers and seek out individuals for vengeance or harassment by wire-tapping. There is again due process which people can rely on to ensure that no one abuses that particular right and abuses this particular legislation.

In the final minute before two o'clock may I say it is a bill that has had a reasonable amount of study. There are legitimate concerns that have been raised by witnesses. At this point it is clear the government feels that as constructed the bill is a balance. We will need to watch the rest of the debate today to see whether it goes on to the other place today or whether it remains in this House for a while longer.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, in light of the fact that we have less than a minute to go I wonder if you wish to call it two o'clock. I would be pleased to resume the right and obligation to speak to this bill at such time.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

MINE TAILINGS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, a Quebec mining company called Ressources Sainte-Geneviève is investing $20 million in an INRS research program to extract precious metals from mine tailings, these usually toxic wastes that the original mine operators left behind.

• (1400)

Not only is the process cost-effective but it would stop the contamination of downstream waterways by those open-air dumps of toxic waste. This process, for which Quebec has authorized a first trial on 100,000 tonnes of waste at the Manitou Mine near Val d'Or, is one of the so-called first-generation solutions.

It is doubly important because, while giving a new commercial value to this often dangerous waste, it takes it out and away from the threatened environment, reduces its volume by 80 per cent and could well control the remaining residue through burial under water in the abandoned galleries, in order to completely prevent the release of the toxic substances which occur naturally in such waste. The management of contaminated water seeping from mine-tailing storage yards has become a governmental priority world-wide.

Mine storage yards have contaminated entire watersheds and over the past couple of decades their management has cost governments trying to handle orphan sites a fortune and has been a costly burden for active mine operators as well.

* * *

[*English*]

NATIONAL FOREST WEEK

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, during the week of May 2 to May 8 Canadians will be celebrating National Forest Week. The 1993 theme will be Our Common Ground.

There is nothing common any more as the Conservative government is shafting the provinces and the forest industry with the financial burden in the application of integrated forest management. So much for silviculture, reforestation, the protection of wildlife habitats and access roads for anglers and hunters.

Twenty thousand jobs will be lost when the Forest Resources Development Agreements are not renewed upon expiry. This will only fuel the environmentalist movement's efforts to tarnish our international reputation as a nation that neglects its forests.

During National Forest Week the question every Canadian should be asking themselves is: How can I help to make our forests better and more productive? The answer is: By removing this tired Conservative government.

* * *

PEACEKEEPERS

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, Canada's peacekeeping soldiers have a long and distinguished history. However a recent spate of accusations by opposition members of Parliament casting shadows on their integrity and ability stem more from concern about the possibility of the Minister of National Defence becoming Canada's next Prime Minister than from the calibre of our soldiers in Somalia.

Lieutenant-General Gordon Reay said on the weekend that he is:

> disturbed by attempts to use my soldiers as whipping boys in an attempt to get defence minister Kim Campbell.

I and other Canadians agree with Lieutenant-General Reay. These fine men and women are doing their best in a very difficult situation, and attacks upon their integrity do not help.

The military justice system is currently investigating the Somali deaths. As members of Parliament we must learn to let them do their job and await the outcome of their investigation before casting doubts upon the capability of our Armed Forces.

* * *

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, over the past almost seven years numerous questions, statements and speeches in this House by

myself and others have failed to elicit any reasonable response from this government as to why it has failed to proclaim its law, the labour standards and health and safety sections, parts II and III, of the Parliamentary Employment and Staff Relations Act, which was passed by all parties in this House in June 1986.

The Prime Minister has failed to even reply to numerous repeated letters from Mr. Daryl Bean, the national president of the Public Service Alliance of Canada. Further, my attempts have resulted only in non-substantive acknowledgements from the PMO and the government House leader only verbally responded with mischievous diversions that were simply untrue.

My Motion No. 743, urging proclamation, comes up for debate on May 11. If the government continues to fail to explain why this basic legislation has not been proclaimed I urge MPs from all parties to give their consent to a renewed vote on this question and grant their support to this long overdue protection to those who serve us and Canada on Parliament Hill.

After seven years it is time.

* * *

THE BUDGET

Mr. René Soetens (Ontario): Mr. Speaker, it has now been one week since the finance minister introduced his second budget. It promised no new taxes or increased taxes. It also cut proposed spending over the next five years by almost $31 billion.

Our budget will allow Canada to lead the world in economic growth for 1993 and 1994. As Canadians learn more about our plans they will regain the confidence required to invest in Canada and to spend.

Some of our plans were previously announced in December and are already showing benefits. Canadians have invested in shares of business enterprises at record setting rates in each of the last four months. Our February gross domestic product grew at a rate of 0.4 per cent, a post-recession high. Employment has grown each month this year.

• (1405)

Even this past weekend was one of the warmest in many months and the Toronto Maple Leafs won their hockey series. It is amazing what a good budget can do.

POLAND

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on this date over two centuries ago the Polish Parliament met in 1791 and affirmed the fundamental principles of democracy, freedoms which today we often take for granted.

In the same spirit of the democratic movement which swept across Europe and the Americas the proclamation of the constitution of 1791 came to represent a kind of bill of rights for later generations in Poland.

Tragically, the May 3 Constitution was crushed by invading armies of Europe, mostly out of fear of the liberal democratic movement. However the lessons of the past still hold true today.

[*Translation*]

The more things change, the more they stay the same.

[*English*]

For example, in the former republic of Yugoslavia today there is a glimmer of hope for peace. The lesson is that we must always practice freedom of religion, we must always respect basic human rights and worship peace instead of war.

That is as true today as it was 202 years ago in Warsaw.

* * *

NEW BRUNSWICK

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I was pleased to note recently that the Atlantic Provinces Economic Council has forecast the strongest economic growth in the Atlantic region for the province of New Brunswick.

According to APEC, New Brunswick has regained all of the 12,000 jobs it lost during the recession and is looking healthy in recovery. The labour force is expanding again as new companies begin to open new businesses throughout the province.

The unemployment rate has declined to within one percentage point of the national average. The fixed link and federal funds for road building will help fuel the pace of economic growth in New Brunswick.

In spite of this rosy forecast APEC did point to the provincial deficit as a problem area. This underscores the need for all governments to work together to control deficits and debts.

* * *

BATTLE OF THE ATLANTIC

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, this past weekend Canadians in communities across our country observed the 50th anniversary of the Battle of the Atlantic.

Our navy had become the third largest allied power with more than 100,000 sailors, including 6,800 women who served in shore establishments in Canada and overseas as wrens.

Tragically, we lost 59 merchant ships and 32 naval vessels, 24 of them in the Battle of the Atlantic, and over 3,000 lives were lost.

Today, to those brave men and women of the Royal Canadian Navy and merchant marine who returned safely to our shores from the icy cold of the North Atlantic and to those who did not return, to those who went down to the sea in ships whilst serving their country, we honour their dedication and their defence of freedom.

Their service and their sacrifice still inspires us here at home and serves as a noble example to those many Canadians still serving in our Armed Forces in hostile places around the globe.

* * *

THE ECONOMY

Mr. Girve Fretz (Erie): Mr. Speaker, because my hon. friends across the floor are usually remiss in reporting good news to Canadians I feel compelled to rise in the House today.

Over the weekend *The Globe and Mail* reported that the Canadian economy grew 0.4 per cent in February. This is consistent with the economic indicators of the last three months, which show Canada's GDP rising.

That is only part of the good news. The other part is that February's surge in output brings the total value of Canada's goods and services, our GDP, to its highest level since March 1990, when our economy took a downturn. In other words, not only is the recession over but our economy is now stronger than when the recession began.

For many months the opposition has called for an end to our efforts at restructuring. It has said: Cancel free trade, cancel the GST, cancel NAFTA, increase spending.

By rejecting these so–called alternatives and remaining committed to our goals of freer markets, fair taxation and fiscal prudence we have laid the foundation for a higher quality of growth and a stronger economy for the long term.

If I can quote the reaction to Saturday's figures of the assistant chief economist at the Royal Bank: "We are on the right track. Things are—"

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

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• (1410)

PARTY LEADERS

Mr. Stan Keyes (Hamilton West): Mr. Speaker:

While Brian Mulroney will travel the globe
all decked out in a fancy wardrobe
he will spend a million to find a new job
won't give a hoot about the loud angry mob

While he takes a jet and the Cadillac tour
all the while scrimping on this country's poor
there's a leader who cares and I'll gladly mention
that that man is none other than Jean Chrétien

Fresh from a tour in Hamilton/Niagara by bus
veejay Erica Ehm made a big fuss
over Chrétien at Stelco and Chrétien in Toronto
and with a man in touch with the needs of the people

While Kim Campbell says she wants users to pay
for a medicare system Chrétien says no way
it's a right, he says, it's a right they forget
So don't place your money on that foolish bet

After being promised jobs jobs jobs back in '84
and the only one you've had is to mop the floor
ask if you're better off today than you were back then
bet you'll say no but will trust Jean Chrétien

You can change the label you can change the name
but that can of tuna's still tainted all the same
all I want to do, is ask one simple question
will you be better off with the same indigestion?

S. O. 31

JUSTICE

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, as a result of the fact that all Canadians have the desire to feel safe and secure in their homes our government has placed justice issues high on its list of priorities.

However only so much can be done with legislation alone. Each Canadian citizen has a responsibility to help the system do its job by being involved in the community and taking an active part in helping local police by being alert and co-operative.

Parents also have a special responsibility to teach their children that police are to be respected and not feared and to instil a belief in law and order.

To be good citizens we must be cognizant that making laws to protect Canadians is only the first step. All of us must help to enforce those laws if they are to be effective in combating crime.

In many cases the greatest weapon criminals have against us is our reluctance to get involved.

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TREE PLANTERS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, they began arriving a short time ago with unique hair styles, pack sacks, shovels and other gear into communities throughout Canada to help replant our forests. It is tree planting time.

Tree planters, a lot of them university students, are the unsung heroes of our forests, out to help the environment and make a few bucks to finance their education.

Yesterday in Prince George, B.C. there was a tree planters picnic to give everyone a chance to say hello and wish them well, and there were events in Ontario and other communities and provinces across the country. Whether it is for government or the private sector tree planting is an important part of the sustainable development of our forests.

We urge the government to reconsider its budget decision that plans to eliminate forest agreements with the provinces. These agreements have helped replant our forests and fund much needed research.

We say to the tree planters: Work hard, be careful, and when you take some time off, go easy. Thank you.

* * *

NATIONAL FOREST WEEK

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, this week Canadians across the country are celebrating National Forest Week. The theme this year is Our Common Ground.

The purpose of this theme is to encourage greater public awareness of the ways in which forests affect all Canadians across all of Canada.

No one knows the value of our forests better than the people of British Columbia. Forests shape the beauty of British Columbia's landscape and are critical to the economic and social stability of everyone who lives in our province.

During National Forest Week I hope we will all reflect upon the hundreds of thousands of people who live in communities across the country that are dependent upon the forest resource. For it is they, the people who live in these communities, who truly understand the need to manage our forests in a sustainable manner. They will ensure our long-term health and productivity which will benefit their communities for the future generations.

* * *

PROVINCE OF ONTARIO

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, every summer hundreds of thousands of people visit parks, lakes and picnic grounds in conservation land set aside with foresight by successive Ontario governments. These are people who do not have a cottage, access to a lake or even a cool backyard. To them the 38 conservation authorities in Ontario offer a place where they can go with their families and enjoy a day in the fresh air surrounded by nature.

We learn now that some of these lands might have to be sold as part of Premier Rae's austerity program. Budgets of conservation authorities will be reduced, possibly forcing the sale of publicly owned lands. The people of Ontario should tell the premier that these precious public recreational areas are not for sale. His unwarranted decision must be reversed. The 38 conser-

vation sites belong to the people and must be preserved for the benefit of present and future generations.

• (1415)

HEALTH CARE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, many amazing and wonderful, in fact weird things are happening during the current Tory leadership convention.

Ministers who have sat in the cabinet for an entire term are repudiating this government's fiscal strategy which was laid out in last week's budget. The Minister of the Environment and the Minister of National Defence are competing to see who can come up with the wildest plan to repudiate the Minister of Finance.

The Canadian public should look closely at these plans. They tell us a lot about the values and priorities of these aspiring Tory leaders. Let us look at the plan advanced by the hon. Minister of National Defence. She has a plan that would balance the federal budget, among other things, by imposing user fees on people who are sick and in need of medical care. No matter what our income, the hon. minister feels we should pay an extra fee to get access to the health care system we are already paying for through our taxes.

She is dead wrong. A new tax on the health care system will not cut health care costs. The only thing user fees do is make health care harder to get at for poor people. If the minister of defence is really interested in containing health care costs, she should begin by looking at pharmaceutical prices which are going through the roof in large part because of policies of the cabinet in which she sits.

Canadians will not forget this change of Tory policy.

ORAL QUESTION PERIOD

[*English*]

HEALTH CARE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a question for the Deputy Prime Minister.

Some two years ago in this House we had a vote on the universality of medicare, and said that free medicare was for everybody with no user fees. Over the weekend the Minister of National Defence said that she intends to have user fees for medicare.

I would like to know from the Deputy Prime Minister if there is a change in the policy of the government or if the government is still of the same view as expressed many, many times by the Minister of National Health and Welfare, that the policy of the government is to have free medicare for everybody and refuses to bend under pressure to have user fees.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the policy of the government is very clear. It has been enunciated by the Minister of National Health and Welfare and other ministers on many occasions.

The hon. Leader of the Opposition knows very well that this is an issue that is generating public debate because there are cost pressures.

Mr. Fontana: The only debate is on that side.

Mr. Mazankowski: The hon. member suggests that the debate is only on this side. This is an issue that finance ministers have been discussing. This is an issue that health ministers have been discussing. This is an issue that health and finance ministers have been discussing together. It is quite clear that the objective here is to try to provide health services to Canadians consistent with the principles that are outlined in the Canada Health Act.

What we are trying to do is to look at ways and means to contain costs, and we are doing that in a co-operative fashion, with the provinces and the federal government working in concert with the health sector.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, does the Deputy Prime Minister intend to ensure that the candidates for the leadership of his party do not create confusion about this? Because the Minister of the Environment made the same statement about universality a few weeks ago and everyone knows that is the only program now which remain universal, because the Conservative government has taken universality away from all the other programs.

Will the Acting Prime Minister do what must be done so that sick people in Canada do not have to worry that very soon they will have to pay to go to the hospital

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. Leader of the Opposition has had some experience in being engaged in leadership campaigns. He has been through a couple of them in the not too distant past and he knows very well—.

Mrs. Maheu: They are lying.

Mr. Mazankowski: Mr. Speaker, did I hear someone across the way say they lied? Are they lying? Is who lying? The leadership candidates. Mr. Speaker, I am not sure but I do not believe that is the kind of language that should be hurled across the floor of the House.

• (1420)

Mr. Speaker: If necessary, I will examine what was said. The hon. minister has the floor.

Mr. Mazankowski: Mr. Speaker, obviously this is an issue that should be debated publicly. Leadership candidates are expressing points of view as are many other Canadians, but clearly the policy of the government with respect to adhering to the five principles of the health care system as prescribed for under the Canada Health Act is very clear, and that remains the policy of the government.

Hon. Jean Chrétien (Leader of the Opposition): If it is the case I would like to know if the Deputy Prime Minister would tell us when the minister of health and welfare will make a statement to that effect. On March 18 of this year the minister of health and welfare said that he was not going to be a leadership candidate but that one thing was sure and that was that if anybody among the candidates were to attack the universality of medicare, he would attack them.

When will the minister of health and welfare come forward and make a statement attacking the candidates who want to destroy medicare?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. Minister of National Health and Welfare is out of the country on government business but he was here all last week and he is here most of the time. He has expressed the same policy as that of the government time and time again. My understanding is that in the House on April 30 my colleague, the Minister of State for Finance and Privatization, quoted for the record the exact quote of the Minister of National Defence, as follows: "There are disagreements over user fees. You know I am of the school, so for medical programs I am of the school of Benoit Bouchard", that is the current minister of health whom the hon. member just praised.

That can be found at page 18739 of *Hansard* for April 30.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Deputy Prime Minister.

There is a great principle at stake here. The government has said time and time again in the past that medicare is sacred. Yet ministers are now saying that nothing is sacred, that medicare is not sacred.

The government has promised a white paper on social and health policy and now it is hiding it during the leadership campaign. Canadians have a right to know: Is medicare sacred to this government?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I just answered that question. The position of the federal government is very clear.

Mr. David Walker (Winnipeg North Centre): It may be very clear to the minister but he is not making it clear to the House.

The principle of medicare requires proper financing, proper commitment and the establishment of programs in support of the Canada Health Act. All of these measures are not being followed either by the minister or by anybody in this government. Instead, the Canadian people are receiving exactly the opposite signal.

I ask the minister again: Is medicare still a sacred trust to this government, yes or no?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, of course it requires proper financing and of course when all governments are faced with extreme pressures on their financial resources they have to find ways and means to do things better.

Every premier and every health minister across the country recognizes that point. The five principles that are enshrined in the Canada Health Act are clearly the basis upon which the Government of Canada bases its policies.

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POVERTY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, in an interview this weekend the Conservative member for Don Valley North said, and I quote: "There are many people who go to food banks and who are not there because they absolutely need the food; they are there because that gives them more money to spend on other things".

I want to ask the Acting Prime Minister this: The member's comments are clearly insulting to the two million people whose only choice is to rely on food banks, the one in six children in Canada who live in poverty.

Does the Acting Prime Minister share the views of the member for Don Valley North or does he believe that instead of blaming the victim his government should come in with a program to really address poverty in this country?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, we know that unfortunately there are poor and hungry people in this country. Our approach has been to improve the well-being of all of our citizens. This we have been doing through our economic initiatives and the agenda that has been put forward by the finance minister and Deputy Prime Minister. The best form of assistance is a job. We wish that everybody could contribute in a meaningful way to the building of our society.

• (1425)

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Acting Prime Minister. There was no answer as to whether this government agrees that in fact we should be addressing the issue of poverty.

[*Translation*]

It is shocking, it is incredible that the chair of the poverty committee thinks that the solution to poverty is just to change the definition of the word.

Does the Deputy Prime Minister as well deny that one child in six lives in poverty and that 4 million people are poor in this country? Does he too deny that poverty really exists?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, we have already taken some initiatives. We increased the child tax credit to $2.1 billion and the new "Brighter Futures" program announced by the Minister of National Health and Welfare provides about $500 million.

We are suffering from the current situation in our country, and we want all citizens to have an opportunity to contribute to a better life.

I am working with all community groups, which are doing an outstanding job in this field to help people who need a hand, and I appreciate all they do.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the minister responding should work with the Minister of Finance who has cut many of those community groups that were in fact defining poverty in the community. The reality is that one in six children in this country lives in poverty. The minister says the answer is greater employment. We agree.

My question is: When is this government prepared to bring in a jobs plan for Canadians, when is this government prepared to admit that poverty exists, that employment is the solution? We agree. Where is the jobs plan?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I think the hon. member would have to agree that the latest GDP statistics are very encouraging: .4 for the month of February which means if we take the last three months, December, January and February, we have got annualized growth of something in the order of 4 per cent. There have been over 200,000 full-time new jobs created since last August. The employment growth rate since November on an annualized basis has been growing at the rate of 2.8 per cent.

It clearly demonstrates some of the initiatives that we took in last February's budget and the complementary actions that we took in the December statement, such as the investment in physical and human resources, the investment in infrastructure, the investment in more training, the incentives for small business, the initiatives

for stimulating the housing sector. All of these things are now starting to pay off and we are seeing some very positive growth and some very positive indicators in the Canadian economy.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is for the Deputy Prime Minister.

We are all aware that the chair of the subcommittee on poverty has renewed her role as tormentor of the poor. The government's leading poverty revisionist would have us believe that if poor Canadians are taught how to shop and how to cook they would not need food banks.

I ask the minister why he has allowed his poverty chief to tell Canadians that poor people are as stupid and useless as the government that rules them?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, I guess the question would be more properly put to the member for Don Valley North who I do not believe said what is reported to have been said about her.

Mr. Marchi: Where is she?

Mr. Fontana: I heard her on the radio this morning.

Mr. Weiner: I am pleased that you heard it. I have not had a chance to read it at this point.

I recognize the situation that there are poor and hungry people in this country. We are attempting to do everything to help all those people. I personally have been involved in my own community in every way possible to be supportive of just such organizations. We hope we will find a way to achieve full employment or to find an opportunity for everybody to participate fully. It starts with a job. It starts with better education. It starts with a good health care program which we already have in this country. We are hopeful we will continue to see progress on behalf of those families at risk.

• (1430)

There have been significant programs put in: the $2.1 billion of increased spending in the child tax credit and the $500 million introduced by the minister for *Brighter Futures*. Those are all assisting families in need.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, this government may try to hide hunger but it cannot hide its contempt for the hungry.

[*Translation*]

The government's high priestess on poverty says that many people who go to food banks do not really need to. These are the very words of someone whose experience of poverty is limited to that of a mere spectator who never even visited the largest soup kitchen in the country, which serves her own riding.

I ask the minister why his government acts on poverty with all the sensitivity of a sledge hammer.

[*English*]

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, as the minister responsible for citizenship I particularly commend all those who contribute both their time and financial assistance to the support of those who are less well off in our communities.

I have tried to indicate publicly my own personal support. I have had long experience with Sun Youth in Montreal, as an example. It is a very noble and fine institution that has been providing the community with the type of help the member would like to see.

[*Translation*]

It is not easy; times are tough. Many families experience hardship in such times. There is no need to blame anyone, because frankly we all want to make life easier for our fellow citizens. We are continuing to work toward this goal and I am sure that goes as much for members on our side as for those on the hon. member's side.

* * *

[*English*]

EDUCATION

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Minister of Finance.

Student unemployment in Nova Scotia stood last year at 24 per cent. Tuition fees in Nova Scotia universities have gone up 50 per cent since 1985. In the same time period SEED job funding is down 44 per cent. Student loans are slashed. No jobs, no loans, equals no education.

When can students expect action from this government to relieve their desperate situation?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member is pointing to a very bleak picture of the situation of students in Nova Scotia. Given the fiscal restraints all governments at all levels have to acknowledge and face, the minister of youth increased the amount of money, not by a big amount but by a bit, available for Challenge to allow students to obtain summer jobs.

Under the circumstances we have to highlight the economic steps being taken to ensure the economy recovers so that jobs can be created in the summer for our youth.

Ms. Mary Clancy (Halifax): Mr. Speaker, the minister is correct when he said it was not very much. In actual fact the amount the funding was increased 3.5 per cent against a 44 per cent cut over the previous six years. It is a drop in a leaky bucket. If that is Tory economics we really need lots of education in the country.

Now the government says that Challenge '93 will favour employers who hire high school students. In my riding of Halifax, Dalhousie tuition is set to rise another 50 per cent over five years.

Why can the government not help all students instead of making high school and university students compete against each other for too few dollars?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, if the hon. member is so concerned about the fate of young students she should congratulate the Minister of Finance for not having cut the transfer to provinces for education in his budget.

• (1435)

At a time of fiscal restraint the good news about the budget is that all those funds directed and targeted at human resource development have not been cut. They constitute a net increase relative to other government expenditures, which just goes to show that students are a priority of this government.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the thousands of students who are now leaving university for the year and are looking for jobs will not be very convinced by that kind of answer. They might be attracted to the answer being provided by President Clinton who has borrowed an idea from the New Democrats for a national youth service and has linked that as well with a reformed student loan program and student grant program which will help low income students gain greater access to colleges and universities.

The federal government's new life-long learning policy talks about maximizing access. My question is for the Secretary of State or her spokesperson. Is the government prepared to consider in all programs of that sort particularly ensuring accessibility to post-secondary education among those who are now discouraged by the new policies on student loans and the lack of money being provided for summer student employment?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, the minister has been carefully reviewing the student loan program. I am quite aware, having served in the capacity for a brief period of time, she is attempting to bring forward a plan which will be able to assist those students the member is referring to.

We should not forget some one-quarter million students are assisted by this particular program. It is a very important program that has been ongoing for some 25 years, I think since the mid-1960s. It is a program that has been very helpful to many Canadian students. We look forward to her bringing forward a revised plan which will be helpful to more people who are actually in need.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, let me point out that the federal learning strategy quite specifically says its goal is to maximize access to continuous learning opportunities.

I want to ask the spokesperson for the Secretary of State about the new restrictions on student loans that have already been introduced, the cutbacks in transfer payments to colleges and universities, and the essential cutbacks in funding for summer employment. We heard it, 3.5 per cent when student unemployment rates are at 18 per cent.

Does he think this is in keeping with increasing accessibility, or is there some hidden agenda the government has we are not yet aware of that will reverse this trend to restricting accessibility in the face of a policy that is supposed to expand it?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, the effort at the moment is to make sure that those students really in need are the ones who are deriving the maximum benefit.

If the member is having some difficulty with some of the due diligence that has been put in, I might remind the member this was an area that perhaps lacked some of the accountability some other experiences require in terms of dealings with financial institutions.

There was some tightening of the criteria. There was a need to have those people who take out the student loans be mindful of the need to repay their loans, and that has been instituted.

I only want the hon. member to be patient for a little while longer. They have done a very thorough consultation across this country. They have listened very carefully. I think the member will be pleased with the plan that will be brought forward very shortly.

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NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the United States administration has admitted that Congress would not pass NAFTA if it were introduced today. It does claim that the environmental and labour side accords will eventually make the agreement acceptable to Congress.

• (1440)

Could the minister of trade explain what kind of environmental and labour agreements Canada will accept in the efforts of the administration of the United States to appease Congress?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I should say this is not a question of appeasing Congress.

Canada has been proposing environmental and labour agreements since February of last year. We have been at the forefront of trying to involve labour organizations and environmental groups in developing the types of agreements I think are quite appropriate for Canada and would be acceptable by the United States and Mexico.

We have extensive consultations on the environmental programs under way right now. We are looking at upward harmonization of standards, setting maximum levels for certain pollutants, raising public awareness of the concept of sustainable development, looking at ways we can co-operate with the other countries in the event of an environmental disaster, and the whole question of how to lead to a greater degree of enforcement of these regulations.

These things are being discussed now. No conclusions have been reached, but my hon. friend would be quite pleased with the results of the negotiations when they are completed.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the minister speaks of enforcement.

He will know that in the U.S. Congress and the U.S. Senate there is a substantial block in favour of enforcement through sanctions. Senator Baucus, chairman of the Senate subcommittee on trade, recently said that he would not support NAFTA unless the side accords contained provisions enforceable by trade sanctions.

What is the position of this government? The minister said recently that this government would not accept trade sanctions as a means of enforcement. Is that still the government's position, or does the government intend to walk away from NAFTA if the United States insists on trade sanctions?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend puts a question and then he gives the answer. The answer is a pretty accurate answer.

We have indicated that we do not agree with trade remedy laws or trade sanctions. We think that can lead to all sorts of difficulties. The requirements of environmentalists and those interested in the protection of our environment can be well satisfied with a type of enforcement that is not dissimilar to what is in the free trade agreement with the United States under chapter 18 wherein there is a broad airing of the problem and a recommendation from a panel. As my hon. friend is well aware, the recommendations of chapter 18 panels have been pretty well accepted by the two countries in this case.

Mr. Jim Peterson (Willowdale): Mr. Speaker, over the past four years 15,400 or 32 per cent of Canada's steel workers have lost their jobs.

Why is the government bulldozing NAFTA through Parliament without a steel pact in order to end unfair U.S. trade harassment of Canadian producers?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend is well aware of the efforts we have made to engage in discussions with the United States administration.

I am sure he is well aware of the efforts that have been made by the Canadian industry to engage in similar discussions with its counterparts as well as efforts made by the Canadian labour movement in trying to engage in discussions with the U.S. labour movement on this very question.

He is also well aware that neither the government nor industry nor labour has been successful in gaining the support necessary for the type of agreement he proposes. We still are working at trying to find ways of raising the understanding of the integration in the steel industry between the two economies. That work will continue and hopefully will have some results that will recognize this integration in a relationship between the two countries in a very important industry such as steel.

• (1445)

Mr. Jim Peterson (Willowdale): Mr. Speaker, the minister's one big lever is NAFTA. Why does he not use it to get a steel pact?

One of the reasons Canada is losing manufacturing jobs, including steel jobs at more than twice the U.S. rate is the very low labour standards in the United States. Twenty states in the United States have either no minimum wage or else their minimum wage is $4 an hour or less. There are 20 U.S. states that have right to work laws.

Will the NAFTA side agreement on labour conditions look not only at Mexican working conditions but also at unfair U.S. labour practices that will continue to siphon jobs out of Canada?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think my hon. friend is being somewhat idealistic when he asks that question.

He refers to 20 states that have certain labour requirements. He might reflect on the fact that the other 30 states have not been able to convince the 20 states of the error of their ways and cause some changes in those labour requirements.

Does he believe that Canada will have more influence over those 30 states when some of the states are some of the most populous in the country? Let's get realistic.

* * *

IMMIGRATION

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is for the minister of immigration who received notice of this question this morning.

A woman refugee from Iran, Sima Sedghi, was detained for seven days, tortured and whipped for wearing sunglasses and nylons. Now she is wanted by the Iranian state for peaceful political activity in a country where dissidents are arrested and without trial, tortured and even executed. She has now been ordered deported from Canada.

Ms. Sedghi clearly qualifies under the new guidelines for women refugees. I ask the minister to put a hold on her deportation and review her case under the new guidelines.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I can assure the hon. member that this case will be reviewed under the new guidelines.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I appreciate the minister's response and I will be anxious to hear how that review goes.

Another 35 or more women refugees are also facing deportation because the old guidelines did not take into account the lack of protection for women from violence or the severe consequences for disobeying laws designed simply to control women.

The Canadian government is now saying it is wrong to deport women in these circumstances. Is it not just as wrong for the women who have already been ordered deported?

Will the minister announce today a moratorium on the deportation of these women refugees and make a commitment to re-examine all of these cases under the new guidelines?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, we have already indicated that all the cases that come before the IRB are now subjected to the guidelines that Madam Mawani announced in March. Every case before the final review before deportation made at national headquarters encompasses a review under those guidelines.

The hon. member should thank this government and congratulate us on having updated the guidelines in order to give protection to these people. Indeed all those cases are reviewed in light of those guidelines.

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[*Translation*]

MINING INDUSTRY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In its federal budget of last week, the government announced that it would not renew the agreement on economic and regional development in minerals.

Can the Minister tell us today whether the Canada-Quebec Mineral Development Agreement, which was signed in December 1992 and represents costs of $100 million, will be maintained until 1998 in Quebec?

Mr. Michel Champagne (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I want to reassure my colleague that, indeed, this agreement will be maintained while complying of course with the budget cuts which were announced.

I also want to remind the hon. member that with the Whitehorse initiative, the federal government, the provinces, the company, the workers and all the other stakeholders in the mining industry are presently working to make this sector more competitive again, and this is precisely what we will continue to do in coming years.

• (1450)

[*English*]

FORESTRY

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, yesterday marked the start of National Forestry Week which is sponsored by the federal Department of Forestry.

The purpose is to increase awareness of the importance of forestry to Canada. I participated in the signing of an agreement for the Fundy forest model just last week in my constituency.

I know that many of us are aware of how important the health of our forests are to our tourism sector, our environment and our economy. Our forest sector annually sells $20 billion in exports and supports the economies of hundreds of communities. Yet in last week's budget we learned that the government has decided not to renew the federal-provincial forestry development agreements which have been operating in every province and every territory.

My question is for the Minister of Forestry. Is this an indication that the federal government is withdrawing from forestry? Does the government plan to honour its obligation as part of this government's agenda for sustainable development?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, my colleague points to the fact that fiscal realities have forced us to plan a phase-out of the forest resource development agreements over the next four years.

Fortunately most of the objectives that were assigned to these agreements have been met. In fact the volume of our operating forests has increased by 15 per cent over the last 10 years. The area that has been properly regenerated is twice the area harvested. This now permits the federal government to pursue new priorities such as the ones that we have assigned to the model forest program and to our international obligations.

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PEACEKEEPING

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, may question is for the Minister of National Defence.

I think we can all take some small ray of hope from the peace proposal that was initialled this weekend, brought about in some part by the U.S. administration's threat to use air strikes in Bosnia. What is not clear is Canada's position on this very important decision.

On Friday the Canadian ambassador to Washington said he is opposed to air strikes because of the implications it may have for our troops. Yesterday the minister's colleague, the secretary of state, said that we have not ruled out any options, including the use of air power.

Has the minister been in touch with her U.S. counterpart to discuss this very critical issue? In particular, what implication may it have for the safety and security of Canadian troops? Can the minister say which is the position of the government, that expressed by the ambassador to Washington or that expressed by her colleague, the secretary of state?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, discussions are ongoing today in Washington at several levels. Officials from the Department of National Defence are meeting with their counterparts in Washington and the Prime Minister is meeting with the Secretary-General of the United Nations today on this very subject.

Clearly we are encouraged by the statement of the Bosnian Serbs that they will support the Vance-Owen plan. That must be supported by concrete action; a ceasefire and a commitment to uphold the plan. We are in consultation with our allies on a variety of options should the peace plan break down. The fundamental value which we uphold is the safety of Canadian troops in that theatre.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a supplementary for the minister. I think we all recognize we will be faced with some very important decisions in a very short term.

In the past the minister has said that Canadian troops would be pulled out if there was any fighting whatsoever in which we had to use arms.

I want to ask the minister this specifically. In discussions with counterparts in the United States, what is the contingency plan that would be used by Canada in order to evacuate our troops in the case of air strikes? Are we prepared to use our troops in major peacekeeping operations under the Vance-Owen plan if it means that we would have to use force to protect civilians?

Perhaps most important, will the minister agree on behalf of the government that it is time to have a serious, open, honest debate in Parliament before any more decisions are made that will affect our peacekeeping role in Bosnia?

• (1455)

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I do not believe that is exactly what I said. I did not say that we would pull our troops out if they were fired upon. In fact, as the hon. member will know, we have assured members of this House that should there be a fire situation, our troops are in a position to defend themselves.

We have contingency plans. We are working with our allies on contingency plans. The safety of Canadian troops is uppermost in our mind.

The Secretary of State for External Affairs is in Yugoslavia today through May 5. She is in Croatia today and tomorrow. She will be in Sarajevo on May 5. She is working on the ground to assess the situation. We will participate in whatever operation we can to the extent of our resources where there is an agreement reached through the United Nations.

The hon. member knows that is a very difficult challenge which the international community is grappling with. None of the industrialized countries is in a position to make enormous military commitments to this field. We are looking to secure peace and we are hopeful that the diplomatic process will do that.

We are evaluating the situation on a day by day basis, but I repeat again, the primary priority for the Government of Canada is the safety of our forces in former Yugoslavia.

* * *

AGRICULTURE

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

Since the release of the Carter report on barley marketing, four members of the round table have dissociated themselves from both the process involved and the conclusions reached. As well, many farm groups and

economists have expressed serious doubts about the findings and the methodology used by Dr. Carter.

In light of all the controversy created by this report, is the minister now willing to let farmers decide the issue. Can he assure us today that no decision will be made until a consensus is reached among all the stakeholders?

[*Translation*]

Hon. Pierre Blais (Minister of Justice, Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, since my colleague is not here, I will say that, indeed, this study, which was made public on April 19, is being reviewed by officials of the department and that my colleague, the Minister of Agriculture, has had several meetings to that effect.

When we talk about the market for barley, it is important to make a distinction between the national and international markets. This does not at all jeopardize the Canadian Wheat Board and its operations. I believe that, in due course, the Minister of Agriculture will announce how he will follow up on this particular issue.

[*English*]

Mr. John Harvard (Winnipeg—St. James): Yes, and we are concerned about that follow-up, Mr. Speaker. We think it will undermine the Canadian Wheat Board.

My second question is for the same minister. If there were a continental barley market we could not discount the possibility of American retaliation. It is feared that the U.S. would slap on import quotas or fees if private entities are allowed to sell barley directly into their market. If the minister does not want to believe me, he just has to check the record.

Is this not one more reason why the minister should be listening to producers and oppose a continental barley market?

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, as you know, many companies, producers and associations have indicated that they want to have some alternatives to the Canadian Wheat Board. The system we have is good but it is not perfect. What we are trying to do is improve it, as we have done in the past.

We have done a lot with the free trade agreement to bring more competitiveness into the North American market. It is working well.

I remember my hon. colleagues opposed everything we did to have a stronger market in North America and in the rest of the world. I think so far, so good. If we can do anything to improve the system we will do it.

* * *

THE ENVIRONMENT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. It relates to the government's refusal to conduct a full and proper environmental review of the Kemano completion project, a major water diversion project in northern B.C. Officials from the minister's own department say there are some 83,000 pages of information on this project in the government's possession.

Will the minister release all of this information to the inquiry that has been launched by the B.C. government so that we can get to the truth behind this project?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, we are perfectly satisfied with the agreement that was entered into by the British Columbia government and the federal government several years ago on this project.

We are co-operating with the provincial inquiry that has been launched into the project. We have told them we will give them any assistance that we can and we will give them any information that is deemed relevant from the point of view of our department. We are satisfied that our responsibilities for environmental assessment have been met.

• (1500)

This inquiry that is now under way is entirely a provincial matter. We are co-operating with them and we will continue to co-operate with them.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): The minister and the government may be satisfied with the process reached to approve this project but the people of northern B.C. certainly are not.

My supplementary to the minister is this: The minister knows of the inquiry launched by the provincial government, the final hope that the people of northern B.C. have to have a look into this project. Is the minister prepared to consider changes to the 1987 settlement agreement that was signed behind closed doors which governs flows in the Nechako River? Will the minister consider any changes or recommendations brought to him by the provincial government on this matter?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I have not had one sensible proposal brought to me by the provincial government on this matter to date. If we did happen to have a sensible proposal brought to us by the British Columbia government that was agreed to by all parties which entered into the original agreement—which was the B.C. government and we entered into it because we were satisfied it was a proper agreement and it was at the insistence of the B.C. government—some proposal that we and all parties agree with, then we would be very supportive of it. In the meantime we are giving the technical information that we are requested to give.

We realize that this is a political hot potato for the hon. gentleman's party in British Columbia. It adopted an unrealistic and unreasonable position and it is now stuck with it.

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

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 18 petitions.

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

Routine Proceedings

HOUSE MANAGEMENT

90TH REPORT OF STANDING COMMITTEE

Mr. John E. Cole (York—Simcoe): Mr. Speaker, I have the honour to present the 90th report of the Standing Committee on House Management regarding change in the membership of standing committees.

If the House gives its consent I intend to move concurrence in this report later this day.

* * *

BILL C-112

REPORT OF LEGISLATIVE COMMITTEE

Mr. René Soetens (Ontario): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-112, an act to amend the Excise Tax Act, the Access to Information Act, the Canada Pension Plan, the Customs Act, the Federal Court Act, the Income Tax Act, the Tax Court of Canada Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and a related act, with amendments.

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

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CRIMINAL CODE

MEASURE TO AMEND

Mr. Peter Milliken (Kingston and the Islands) moved for leave to introduce Bill C-429, an act to amend the Criminal Code (hate propaganda).

Mr. Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Milliken: Mr. Speaker, this bill is very similar to one that I introduced earlier this session. The bill has been debated in the House and was talked out in private members' hour and so was dropped from the Order Paper. It was not made votable. There were some criticisms levelled against the bill by certain government members opposite. I have made some amendments to this bill reflecting the concerns expressed in their speeches which I hope will make the bill acceptable to the other side. If it happens to get drawn for debate and is made votable again I am optimistic it might pass this time.

• (1505)

The Acting Speaker (Mr. DeBlois): Mr. Milliken moves that the bill be read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

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HOUSE MANAGEMENT

CONCURRENCE IN 90TH REPORT OF STANDING COMMITTEE

Mr. John E. Cole (York—Simcoe): Mr. Speaker, if the House gives its consent, I move that the 90th report of the Standing Committee on House Management, presented to the House earlier this day, be concurred in.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, we will consent to this particular motion, but I do want the House to know that on this side of the House we were not consulted that the government would be proceeding with this particular matter today.

Motion agreed to.

* * *

PETITIONS

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition on behalf of a number of residents of British Columbia who are very concerned that it appears the government is turning a blind eye and a deaf ear to the call to exempt water in the North American free trade agreement.

They put their names on this petition asking the government to state categorically that water is an exempt category, as has been done for unprocessed fish on the east coast of Canada and raw logs.

CANADA POST

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have here five petitions containing the signatures of over 1,000 persons from Ville St-Pierre in my constituency.

For many years the people of Ville St-Pierre had full postal service but during the last year it was taken away from them. In this respect they say they are being unfairly penalized in that they are not getting the equivalent postal service as neighbouring municipalities.

In this petition the people of Ville St-Pierre ask Parliament to require Canada Post to provide, without delay, a full service postal branch in Ville St-Pierre.

[*Translation*]

REQUEST FOR ELIMINATION OF VIOLENCE IN OUR SOCIETY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I would like to table a petition from people in Val-d'Or, Dubuisson, Val-Senneville and Senneterre in Abitibi who say that violent movies on television are dangerous and therefore unacceptable, because they incite more violence.

The petitioners say that all toys which incite violent games are unacceptable and should not be made. They point out that freedom of the press in reporting acts of violence should be limited and that information on violent acts which is repeated too often on all television networks and on radio can incite others to commit similar acts of violence. Therefore the petitioners humbly ask Parliament to legislate on the above-mentioned points to eliminate violence in our society, in order to better protect our children and to give all our fellow citizens a better quality of life.

[*English*]

DEATH PENALTY

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I have the honour to present pursuant to Standing Order 36 a petition requesting the reinstatement of the death penalty for people convicted for the murder of children. It is signed by about 10,000 Calgarians.

SEX OFFENDERS

Mr. Alex Kindy (Calgary Northeast): I have another petition, Mr. Speaker, which I will read. It states: We the undersigned call upon Parliament to stop the special treatment of convicted sex offenders and house them in with the general prison population. It is signed by thousands of people.

• (1510)

TRADE

Mr. Sid Parker (Kootenay East): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition from many residents of British Columbia which is certified as being correct.

The petitioners draw to the attention of the House that the proposed North American free trade agreement has resulted in even greater trade concessions being demanded of Canada; that if implemented this trade agreement will result in further restrictions being placed on the ability of Canada's federal, provincial and territorial governments now and in the future to assist Canadian industry, conserve Canadian natural resources for Canadian benefit and advance needed social programs.

Therefore they call upon the House to reject the proposed North American free trade agreement and to recommend to the government that it use the termination clause to end the Canada–U.S. Free Trade Agreement.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, it is my pleasure to rise pursuant to Standing Order 36 to present a petition signed by some 41 signatories from the village of Creston, the communities of Wyndel, Lister, Kitchener, Wasa, Ta Ta Creek and the cities of Kimberley and Cranbrook in East Kootenay and the city of Revelstoke in Kootenay West—Revelstoke.

The petitioners express their concern that the proposed North American free trade agreement has resulted in even greater trade concessions being demanded of Canada and they fear that this agreement will cause Canadians to lose more good jobs.

They also point out that the North American free trade agreement cannot be remedied through negotiation. They call upon this House to reject the North American free trade agreement and to recommend to the government that it use the termination clause to end the Canada–U.S. Free Trade Agreement.

YOUNG OFFENDERS

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I have the honour to present a petition pursuant to Standing Order 36 that requests the Government of Canada to revise the laws of Canada to replace the Young Offenders Act with an updated juvenile delinquents act with a lowered maximum age of 13 years. It is signed by 1,000 Albertans.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the following questions will be answered today: Nos. 477, 489, 490 and 491.

[*Text*]

Question No. 477—**Mr. Barrett:**

With respect to computer tapes, discs and other electronic records within the Prime Minister's Office and the Privy Council Office, (a) what is the government's policy regarding the archiving, erasure or destruction of those materials, since January 1, 1991 (b) how many computer files have been deleted, destroyed, (i) in the Prime Minister's Office (ii) in the Privy Council Office, and (c) how many of these files have been sent to the National Archives?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): The response to Question No. 477, part (a), is that the policy related to the disposal of records of government institutions, including electronic records, is prescribed in the National Archives Act.

In regard to parts (b) (i) and (ii), and part (c) there is a nil response.

Question No. 489—**Mr. Worthy:**

What is the number of people (or families) classified as farmers and how many (a) gain all or most of their income from farming (b) receive most of their income from outside sources?

Hon. Charles Mayer (Minister of Agriculture): In 1991, the number of families classified as farmers was 294,381. (a) 148,088 families; (b) 146,293 families.

Question No. 490—**Mr. Worthy:**

What is the minimum gross farm sales which are required in order for a person to be classified as a farmer?

Hon. Charles Mayer (Minister of Agriculture): There is no single definition of a farmer or farm. The 1991 census of agriculture defined a census farm as a farm, ranch or other agricultural holding which produced at least one of the following products intended for sale: crops, livestock, poultry, animal products, greenhouse or nursery products, mushrooms, sod, honey, or maple syrup products and did not require a minimum gross farm sales. According to the Income Tax Act, for tax

purposes, there is no minimum gross sales requirement to be considered a farm.

Question No. 491—**Mr. Worthy:**

How many persons are employed by the Department of Agriculture and what is their average salary and cost of the total payroll?

Hon. Charles Mayer (Minister of Agriculture):

Fiscal Year	Person Years	Average Salary	Total Cost of Payroll
1992–1993 (estimate)	11,477	$52,846	$606,520,000
1993–1994 (estimate)	11,865	$50,638	$600,822,000

[*English*]

The Acting Speaker (Mr. DeBlois): The questions as enumerated by the parliamentary secretary have been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, if Questions Nos. 381, 386 and 450 could be made Orders for Returns, the returns would be tabled immediately.

[*Text*]

Question No. 381—**Mr. Fisher:**

With regard to the dollar value of government advertising since January 1, 1992, what has been the value of placement of advertising by each department, body or agency in (*a*) each daily newspaper or chain in Canada (*b*) each radio station or network in Canada, and (*c*) each television station or network in Canada?

Return tabled.

Question No. 386—**Mr. Karygiannis:**

With respect to the Interstate Unemployment Insurance Claims agreement (*a*) since 1988, how many non Canadian citizens living outside of Canada have received benefits (*b*) how much has been received by these beneficiaires (*c*) how much was collected in U.I. premiums from these people (*d*) in what states do the recipients live (*e*) what is the anticipated cost of provding interstate U.I. benefits to Mexican seasonal agricultural workers?

Return tabled.

Question No. 450—**Mr. Brewin:**

For each year since January 1985, has the Department of National Defence incurred expenses for public affairs and related matters and, if so (*a*) how much (*b*) were outside contracts awarded and, if so (i) to whom (ii) when (iii) for what purpose (*c*) how many person years are involved in such matters?

Return tabled.

[*English*]

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House that Questions Nos. 381, 386 and 450 be deemed to have been made Orders for Returns.

Some hon. members: Agreed.

Mr. McCreath: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. You will recall that on Thursday, April 29, in *Hansard* at page 18638, I rose on a point of order with regard to Questions on the Order Paper.

I indicated to the Chair that an inordinate period of time had elapsed in which the government did not respond to the questions put on the Order Paper for ministers and departments to respond to.

Mr. Speaker, I wish to draw to your attention Question on the Order Paper No. 307, which stands in the name of my colleague from Ottawa South. It goes back to April 27, 1992, and 371 days have elapsed.

Question No. 317 in the name of my colleague from Acadie—Bathurst is dated May 4, 1992 and 364 days have elapsed. On Question No. 318, 364 days have elapsed. Question No. 326 in the name of my colleague from Acadie—Bathurst is dated May 14, 1992, and 354 days have elapsed.

Finally, Question No. 328 in the name of my colleague from Egmont is dated May 15, 1992, and 353 days have elapsed.

• (1515)

I would suggest with respect that members of the cabinet are showing contempt of this Parliament, are demonstrating disrespect to the Chair, and are in violation of the Standing Orders of this House. As we know, as all members know, the normal time frame in which to respond is 45 days. There is no excuse for ministers of the Crown to be running off across the country doing whatever they have to do in terms of their departmental responsibilities but thumbing their noses at you, Mr. Speaker.

I find that to be very disrespectful. I want to hear from my colleague and friend who is assuming the responsibilities of parliamentary secretary today as to what he intends to do about this.

We have not raised a point of privilege. I was clear to point out it was a point of order. I gave notice last Thursday morning hoping that the government could give us a full and comprehensive response as to why.

I guess we are being forced to raise this as a point of privilege but we seek the guidance of the Chair about this frightful and unbecoming behaviour and conduct of ministers opposite.

We on this side of the House all know, as I am sure Canadians from coast to coast know, that they have lost the will to govern but surely they should assume the responsibilities and provide the necessary information in accordance with the rules which we are all bound to follow.

Mr. McCreath: Mr. Speaker, I am pleased to respond briefly to my hon. friend.

He did bring this point up last week as he said. One thing that is clear is that the rules say that questions are supposed to be answered in 45 days. It would be fair to say that is certainly a fact that is well-known by all ministers of this government. It is certainly the intent of our House leader and I think of our cabinet to attempt to see that all questions are answered.

What my colleagues may sometimes lose sight of is that some of these questions can be very complex and take a great deal of time to respond to. I refer particularly to questions that some might consider fishing expeditions. They start off with phrases such as: Since 1984 have any departments or agencies, et cetera.

Such a question requires consultation with 85 different departments and agencies of the government. It is a very complicated process. It can also be a very expensive process for the taxpayers, because when we set public servants at 85 different agencies to work trying to track down information which my hon. friends opposite feel they cannot do their jobs without and which they are perfectly entitled to, then the time will be taken and the cost will be borne by the taxpayer.

I would hope this is indeed essential information. However I would remind my hon. friend and the House that under a motion of this House on April 19, as a result of the matter being raised not only by my hon. friend the opposition House leader but by the member for Scarborough—Rouge River, this whole matter has been referred to the House management committee. I think it only appropriate that committee be given an opportunity to carry out the request this House and the Speaker have made that it look into this matter. It might appropriately look at the whole matter of Questions on the Order Paper to see that it does always serve a useful public function.

My hon. friend is absolutely right. The rules are clear. Questions are to be answered in 45 days. I will again bring the matter to the attention of the ministries to see if they cannot do their best to see that it is complied with.

Meanwhile I would suggest that this matter be left where the House has already referred it, the House management committee.

Mr. Dingwall: Mr. Speaker, I want to thank the parliamentary secretary who has attempted to provide an answer to this inexcusable behaviour of ministers of the Crown.

I do not wish it to be left or omitted from the record that the purpose in changing the Standing Orders to limit each member of Parliament to a finite number of questions was for the very purposes he referred to in his remarks.

• (1520)

Prior to amending the Standing Orders members were allowed to have an unlimited number of questions which they could put to ministers of the Crown in order that they seek information. We have changed that and reduced that number to four. Therefore the number of questions each member can put is restricted to a finite number.

As the hon. member knows despite his verbal gymnastics today, although they may be appreciated by some of the viewing audience who may be watching the hon. member, the reality is that many of these questions are direct, succinct and to the point. I do not find it to be reasonable that members have to wait in excess of 300 days.

My colleague has made reference to the House management committee. That was a particular issue involving the Minister of Finance and certain documents and obligations with regard to that minister. The text of that

subject matter involved a great deal of negotiations, consultations is perhaps a better word, between the two parties. It was thought best that subject matter be referred to the House management committee.

What we are seeing here, Mr. Speaker, which I think you have to take into due consideration is a deliberate action, not only an attempt, by the Government of Canada and numerous ministers of the Crown to frustrate members of Parliament.

Mr. Speaker, just a minute. You are signalling me to sit down but this is an important aspect of parliamentary procedure, of the doings of the House and the interference with members of Parliament who quite rightly put questions pursuant to the Standing Orders and have not received answers or responses from the Government of Canada.

This is a deliberate attempt by members of this cabinet to frustrate members of Parliament on this side of the House in a collective way. It is a kind of behaviour that I would hope the Chair would take due notice of and give due consideration to for we as members of Parliament, if the subject matter was worth raising in the first instance through a question, must pursue this on other days at other times in terms of trying to get answers to these important questions.

I want to thank my colleague, who happens to be a distinguished member from our great province of Nova Scotia, for attempting to shed some light on this particular matter. However I would hope that the Chair would give due consideration to the kind of inexcusable behaviour of ministers of the Crown that will force us, as members of the opposition, to get up day after day to raise questions of privilege and points of order in order to get answers to these questions.

Finally, Mr. Speaker, as you, I and hon. members opposite know, the House is due to close for the normal summer recess when members return to their constituencies on June 23. We have been waiting for these questions in excess of 371 days. You can see what is going on. They are trying to rag the puck just as the Detroit Red Wings tried to rag the puck. We know what happened there. The Leafs won.

I suggest to my hon. friend opposite that notwithstanding the inexcusable behaviour of the members of his own cabinet which he now agrees to, they are trying to rag the puck, they will suffer when the Canadian people go to the next general election.

Mr. McCreath: Mr. Speaker, just very briefly, I share my hon. friend's joy at the great victory of the Toronto Maple Leafs the other night.

I have already made the points that we wished to make. I do want to assure my hon. friend that the motive he attributed to the ministers of the Crown with respect to these questions is certainly not the case with respect to this government. The government will do all it can to see that the questions are answered as expeditiously as possible.

• (1525)

Mr. Angus: Mr. Speaker, Question No. 395 on the Order Paper stands in my name. I would like to seek consent of the House to be allowed to withdraw it.

I have had meetings with the Department of Transport, specifically the Coast Guard, on a matter relating to the B.C. Ferry Corporation and ship safety. I have been provided with a significant amount of material which responds to my question.

I am prepared to withdraw my question on the understanding, which I believe is acceptable to the government, that the material supplied would also be provided on request to any other interested persons. The department has agreed that if I have any further questions arising from the material I can return to it for clarification. Therefore I would seek the consent of the House to allow the withdrawal of Question No. 395 standing in my name.

Mr. McCreath: Yes, Mr. Speaker, there has indeed been considerable discussion with the hon. member and the Department of Transport. An ongoing dialogue has been taking place. The government would certainly agree to his request. If there are other members wishing to receive the same information they need only ask and the Department of Transport would be most willing to go over the information with them. The department would look forward to any further questions my hon. friend may wish to raise.

I want to thank the hon. member on behalf of the Department of Transport for his co-operation and for his interest in the matter which generated this question in the first place.

Mr. Angus: Mr. Speaker, in his response the parliamentary secretary indicated that if any other member wanted to receive the information he or she could. I think the understanding was that if any individual wanted to obtain the information he or she would be able to do so.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I therefore take note that this question is withdrawn from the Order Paper.

I would now like to come back to the question raised by the Hon. House Leader of the Opposition. The Chair is not insensitive to the concerns expressed by the hon. member. Other members have already raised the same concerns, in particular the hon. member for Scarborough—Rouge River.

The more general question is now before the Committee on House Management and I am sure that the Hon. House Leader of the Opposition will follow very closely the representations made to that committee, as will the Speaker.

[*English*]

Mr. Dingwall: Mr. Speaker, I thank you for your intervention and we will certainly pursue that at the appropriate time.

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

Some hon. members: Agreed.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I would like to rise on another subject matter.

On April 29, 1993, as reported in *Hansard* at page 18680, my colleague from Saint-Henri—Westmount rose on a question of privilege concerning comments which were made during Question Period. The Speaker then indicated that he would examine the "blues" and report back to the House.

I supported my colleague in his intervention and reminded the Chair about the seriousness of the issue at hand and that I would duly like the House to be informed. I believe the Speaker said at that time:

> I want to say to the hon. House leader for Her Majesty's Loyal Opposition the Chair recognizes it is a serious matter. We have had to deal with these things in the past.
>
> If I feel it is necessary to have further argument or further comment I will give sufficient notice.

I have not heard from Mr. Speaker with regard to this question. I am wondering whether or not I could flag that for the Speaker or perhaps for the Clerk who might want to apprise me by telephone of what he intends to do with regard to this particular matter. More appropriately the Speaker could rejoin us in the Chamber to give us his views with regard to the matter that my colleague from Saint-Henri—Westmount has raised.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I would like to remind the House that the comment referred to by the Hon. House Leader of the Opposition concerned a committee report which has not yet been officially presented to the House. Therefore the Speaker will not comment before the House is presented with the report to which the hon. member refers.

• (1530)

[*English*]

Mr. Dingwall: Mr. Speaker, as usual the Chair is correct. The Chair did not receive the report to which my colleague for Saint-Henri—Westmount made reference on Thursday, April 29, 1993.

If the Chair were to check the record, I believe it would see that the report of the committee has been tabled. If that is the case, I am wondering whether or not the Chair would at that time take a look at it and confer sufficient notice to members so that we may take a look at the matter.

If I am incorrect and the report has not been tabled, I suggest to the Chair the report will be tabled within the next number of days and I would like to revisit the particular matter. I would like to have sufficient notice in order that we may pursue the subject matter at the most appropriate time and to deal with the question of privilege my colleague has raised.

I am not seeking clarification from the Chair today. I am seeking from the Chair a clear, unequivocal undertaking that when the report is tabled it will trigger the question of privilege my colleague for Saint-Henri—Westmount has raised and we will be given every opportunity either to buttress or to add further arguments to a lock-stock case with regard to the question of privilege so we can assist the Chair in adjudicating a

wrong we believe has been done to all members of the House of Commons.

[*Translation*]

The Acting Speaker (Mr. DeBlois): This is just to say that I checked and found out that the report has not been tabled in the House. The Speaker will surely be interested to read the remarks of the Hon. House Leader of the Opposition.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Blais that Bill C-109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act, be read the third time and passed.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am pleased to rise to speak once again on Bill C-109. This bill was tabled by the Minister of Justice and includes Criminal Code amendments as well as changes to the Crown Liability and Proceedings Act and the Radiocommunication Act.

My colleague from Cape Breton—The Sydneys has dealt rather extensively with the wire-tap provisions in the bill, surveillance by electronic methods. I understand from listening to him and hearing his concerns there are some problems with that aspect of the bill.

I understand they relate quite specifically to police rights to tap telephones with no accountability and very little criteria. I also understand the burden of proof within our own system has always been on the perpetrator. This time it is sort of a reverse onus and the police must prove the bona fides of what they have gone ahead and done. I presume it is lawful. They presume the police have been right unless there is a defence that can prove otherwise. That is contrary to the normal procedure. The police must satisfy a judge in present circumstances, the way the Criminal Code reads, that the wire-tapping has been necessary or is necessary.

Now the police can move ahead and do the wire-tapping if they believe or have just cause to believe—and I would presume they would do this with a great deal of care—according to their own subjective standards they will prevent a crime by their interference. I certainly would not want to stop the police from this kind of activity. However, as long as this can be justified even after the fact, it would seem there is no formal accounting procedure in here. I would say it is somewhat worrisome to give the police this much latitude. It is fine but there should be some kind of accountability.

As I am not the major critic in this field, I have just highlighted it. I call on those who have an interest in this matter to read the remarks of the justice critic, the member for Cape Breton—The Sydneys. He points out they can now be even more invasive than they were in the drunken driving bill where one could presume the driver was drunk and therefore call for a breathalyser test.

• (1535)

I was a participant in that bill on the opposition benches and I supported the government in that undertaking. As a matter of fact it was the same time we were trying to bring in the amendments that led to the Deschênes commission and the seeking out of war criminals. It was quite an interesting broad stroke.

However, the police will now be able to take blood samples and a lie detector test before they even lay a charge. That is quite invasive. I wonder if there is not enough reason there to revisit the bill to tighten up the criteria found within it.

I would particularly like to focus on the cellular communications and the privacy aspect of the bill. Let me say at the outset Liberals believe we need to achieve greater privacy in communications. I believe we need a number of concerns addressed. The fight continues against the so-called nuisance junk phone calls and others that bother seniors and families at home and often interrupt their privacy. We must find a way to stop the nuisance and the junk fax messages that are now causing trouble for businesses and frankly are quite costly. We finally got telephone companies to agree to block caller identification services which the phone companies at first resisted. Fortunately they have now relaxed their opposition to it.

I highlight all these items because they are an accumulation of the invasion of privacy which more and more is becoming a serious concern. Some of the areas are within provincial jurisdiction, but notwithstanding members of the House are now involved in the gathering of information about ourselves and about citizens out there without their consent and without their knowledge. That kind of invasion of privacy is becoming very worrisome. Personal information is being gathered, assembled and circulated electronically by all sorts of enterprises.

Were you asked and did you give permission, Mr. Speaker? I know I was not asked. Nor did I give permission. We need to look into the matter very seriously. I would suggest these concerns are all part and parcel of legislation and public policies that must be looked at today. We have increased technological access in this information age.

The particular bill addresses the question of cellular privacy, but it is just one example of how the age of technology is making matters of personal information and personal privacy key issues in the nineties. Clearly the communications and information revolution will continue bringing forward new issues into our daily lives that never existed before but which must be dealt with expeditiously before technology essentially runs away with our privacy.

In terms of the cellular telephone and cellular privacy let us take a look at the problem. I addressed it fairly extensively on April 26 when at report stage the government refused to accept a number of the amendments I brought forward. I thought they were enlightened amendments, not because I thought them up but because they came from an experience the Americans had with which I will deal in a moment.

I was trying to point out, and I point it out again, that Canadians have traditionally looked at their telephone as a safe, confidential, no snooping, no drop-in, no eavesdropping kind of exchange ability with a neighbour, with a friend, with the family, with their doctor, with their lawyer and with their stockbroker. They have felt a sense of comfort that no one has been listening in and no one can steal their information.

They could go about deciding how they were going to react to certain information in the stock-market or in the bond-market. They could talk about their financial obligations, what they were going to be purchasing, et cetera, over the normal system. There was a sense of confidence this would remain private within the confines of the two-telephone system they were using.

However cellular telephones are quite different. They are really radio phones as I tried to point out the other day. They pass calls along a whole series of cells out there along the highways and byways of our country called the public domain. It is in the area of the public airwaves. They are not private.

• (1540)

The key difference is that the public generally does not recognize that every cellular phone user is basically using a radio. We even see people in restaurants walking around with their cellular telephones. I personally happen to find that totally abhorrent. If they want to have private conversations or need to talk to someone, let them go and use the telephone or let them go outside. I find it kind of rude in the middle of a conversation in a restaurant around a table. However, I suppose maybe that is a macho new look with a new toy but it is not macho. Whatever it is, it is poor manners in my view.

They are making radio calls on these little devices and it is as if they were shrieking inside that restaurant. Instead, they are shrieking outside on the general airwaves. Their conversations can be picked up by anyone who cares to eavesdrop.

I guess it is the old adage of buyer beware in this new age of information. The other day I said perhaps people who sell cellular phones should have people sign a paper which says: "I am aware of the fact that this is not a traditional telephone. This is a radio phone and I am aware of the fact that I can be easily overheard, that there is no confidentiality that is concomitant with the use of this telephone. I therefore acknowledge that this is free and open air". Maybe if we get people to sign this kind of statement when they buy their telephones they might be a little bit more sensitive to the problems that can crop up.

I do not think we can expect that in the fulsomeness of the measures we need to meet the goals of this particular bill. The goals of this bill are to stop interference and protect the privacy that people have become used to on their wired phones at home or in the office.

Let us recap. What is the minister trying to do here? I am going to go into some detail about the specific provisions which the government has stood by. It has refused to listen in its narrow-minded and very unsympathetic thought to something that could be practical. The puffery here is what it was interested in. From the first reading until today even with the disinformation the Department of Communications managed to give the committee during the hearing stage, the government was not prepared to budge. We want the public to know what the minister is doing in this bill and what the disinformation is all about.

We are amending the Criminal Code to make it illegal to intercept maliciously or for gain a radio-based communication on a cellular phone which is really this radio phone. The principle behind the action is that we as a party, the Official Opposition, support the principle. It is very important.

The problem is that this bill makes anyone who overhears a telephone conversation by accident, not by design, guilty of an indictable offence, liable to imprisonment for a term not exceeding five years and a fine of $25,000. I would say that is a very strong measure. Until we get to that point we have to look at what our options are. Is there any answer other than criminal sanctions with such a serious impact given this new and evolving technology? We all know how expensive it is to keep people in prison and how overcrowded the cells are.

Does this go too far? Does it hit with too big a hammer? In our view after committee study at report stage we still believe the answer to these questions is yes. The minister has taken the wrong step at the wrong time in a bill that is flawed.

This section would create the indictable offence in clause 12 for willfully disclosing the existence or the contents of intercepted radio-based telephone communications without the expressed or implied consent of the originator or the intended recipient of the communications. That is a very weighty move by Parliament. In other words people are used to the ordinary telephone and sometimes, as they are wont to do when they had a party line, they hear something which they might in all innocence pass along. When there were party lines they would have had to pick up the phone deliberately because they knew they were on a party line.

• (1545)

Here people can pick up their telephones and quite by accident because of a crossed wire they can listen to a cellular telephone call to someone else. Or they can be using a scanner which is a piece of equipment that can be used to decode and listen in. It is like those big muffs the television cameramen use to be able to hear what is being said more clearly.

People can use scanners and if they hear some information they are allowed to listen to it in this bill. They are allowed to have this scanner in this bill. If they repeat what they have heard then they are subject to a fine. They can repeat something in all innocence and it can be blown all out of proportion. It can be misunderstood and they can still be called before the criminal courts for a crime.

Without the express or implied consent of the originator or the intended recipient of the communication we get this move by Parliament that using or disclosing the knowledge of a cellular phone call is an indictable offence. Is that the best way? It is questionable.

After serious consideration we still have problems with this aspect of the government's approach. The basic question remains whether it can be reasonably enforced. Is this the most practical approach to solving the problem?

We conclude that the government has acted hastily, specifically following the Wilhelmy scandal. This was a visceral reaction to something that was really to be regretted from many points of view. I am not going to bring back all the history and issues behind this except to say there was not agreement and therefore it was malicious and had a very negative effect.

The government has gone to the Criminal Code rather than proceeding with a more technical means to solve the problem which we all think should be addressed. We know there are encryption methods. We know there are ways of protecting those phone calls. Ministers and senior members of the Crown certainly have access to these encrypters but they are very expensive. There was no reason in the Wilhelmy case for not using an encrypted telephone. I sometimes wonder if there was something more to this whole story than meets the eye.

If we look at the Radiocommunications Act amendments that are in this bill, in principle these amendments

that we have brought forward move in the same direction as the prohibitions being introduced into the Criminal Code. Clause 24 would prohibit making use of or divulging radio-based cellular communications unless the originator or the intended receiver consented to the disclosure. The term, making use of, might be interpreted as divulging the existence of a communication without divulging its contents. Section 25 sets out penalties for those contravening the previous section. Section 26 creates a right of civil action for an injunction or damages against persons or corporations who divulge or make use of these cellular communications.

The spirit of the Radiocommunications Act changes is in keeping with the Criminal Code changes proposed by the minister, possibly sending people to jail for even divulging the knowledge that a cellular call has occurred. Again I think this is too harsh a step.

Given the level of concern expressed over this bill, the Official Opposition proposed amendments at report stage. Our amendments which the government rejected reflected the concern we have about this approach. In our view our approach was very balanced and reasonable. While we agree there is a problem there is a way to go about this and the government took the wrong approach.

Our amendment would have removed the provisions for jailing people, at great cost, who intercept cellular phone calls. We did not say, however, to do nothing. We proposed as the most important and fundamental first step the banning of the use, manufacture, importation, distribution, leasing or offering for sale of scanners capable of receiving transmissions in the cellular frequencies.

• (1550)

Mr. Speaker, this is a fundamental and important matter. I know you were in the Chair when we had this discussion and I know you said it was outside the purview of the bill. In my view this should never have been in the bill. There is disinformation about 900,000 scanners being out there. It is an unfounded reality if we are talking about cellular telephones and the ability to unscramble in that area. The minister had the option of banning scanners. He should have brought in a bill to that effect, very much like the Americans have done in the United States. They are removing the right to have a scanner.

The privacy commissioner has made it very clear that he does not prefer this kind of approach. He has said he favours a technical answer if one can be found. If limitations on the manufacture and distribution of scanning equipment is the answer he favours that too.

We are not convinced by those in the Department of Communications who said that a technical approach would not work. I think we have to try it first and it has not been tried. I suggest it would be best to ban the scanners, remove this act from the Criminal Code and remember there are provisions already in the radio act if people misuse telephones.

In conclusion I believe the communications aspect of this bill leaves too many questions for us to have any comfort level. There is serious concern that the heavy hand of the Criminal Code being brought in at this time to improve the cellular telephone privacy is inappropriate. However, we must find answers to the whole serious question of invasion of privacy in all aspects of our daily lives.

I question whether it is even enforceable. I hope the government will give serious consideration to voting against its own bill.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, it was not my intention to take part in this debate at this particular time but after listening to the comments of my colleague from Mount Royal I was rather stimulated and feel I should put a few thoughts on the record.

I want to say first of all that when the so-called Wilhelmy affair cropped up last fall during the debate on the Charlottetown accord I was really offended. I was offended as a politician, as a citizen of the country and also as one who spent 30 years of my life in journalism. Most of those years were with the CBC.

A story like the Wilhelmy affair is very titillating. I can understand why reporters got very excited when they heard certain comments that were going to be embarrassing to the premier of Quebec, the Prime Minister of Canada or any particular group of people. I can understand how the reporters jumped on the story with alacrity and enthusiasm and felt they were doing something for the country.

I was offended, maybe because it really was an invasion of privacy. A senior Quebec civil servant was talking to another senior Quebec civil servant. They both believed their conversation was private. They believed as most people do that cellular phones are telephones and not sophisticated CB radios. They are telephones. We find out later and they find out, much to their chagrin and

horror I guess, that these are not phones, they are sophisticated CB radios. Believe it or not, people using sophisticated scanners can listen in to conversations and tell the world about them.

• (1555)

I find that an invasion of privacy. I think it is totally uncalled for. I think that the government of the day as reflected in this bill has the right to move on that particular front to solve that problem. I think that when two people are talking on what they believe to be a real telephone they have a right to privacy. It is as plain and simple as that. They have a right to privacy. I do not think anybody has a right to poke their nose into someone else's business, regardless of how titillating it may be to journalists, radio reporters, television reporters, and certainly the public at large.

I think the government was on the right track when it brought the bill in. It saw a problem and felt it had the answer to it and that was to sort of—I am not a lawyer—to criminalize this area. If you are found scanning these conversations, if you report them in a certain way and the matters come to public light, you would be violating under this bill, the amended Criminal Code, and either go to jail or face a fine.

I along with my colleagues believe that notwithstanding the good motivation of the minister in this particular case think he is prescribing the wrong antidote or the wrong solution. There is a better way. It is through a technical answer.

When a problem of this kind faces us, do we go to the source of the problem or do we seek an answer elsewhere? I would humbly submit that we go to the source. If you prevent someone from being able to invade a conversation in the first place, if you can do that with technology, through some technical means, surely that is the best way of doing it. Apparently the Americans as recently as 1992 did exactly that by banning scanners instead of allowing people to snoop, to invade people's privacy. If people hear something that they find rather titillating that they would like to relay and actually do relay, they would find themselves in trouble under this bill.

Why not nip it in the bud? Why not go to the source and stop the snooping in the first place through technology? Surely that makes much more sense than allowing the process to proceed to a certain spot and then have the law intervene and say: "Sorry, you have gone too far; you have gone too far, you have broken the law, you have violated the Criminal Code, and because of that you are either going to go to jail or you are going to be fined".

Let's face it, that is an expensive process. It costs the state money to fine people; it costs the state money to send people to jail. How many are we prepared to fine? How many are we prepared to send to jail if we are really going to be serious about this.

In some ways it is rather impractical and there is a better way. We have proposed the technical solution. As the member for Mount Royal said earlier, our privacy commissioner favours just that, a technical solution. I want to quote him. He says: "I favour a technical answer if one can be found". He went on to say: "If limitations on the manufacture and distribution of scanning equipment were the answer, I would favour that, too".

That is what they are doing in the United States and I think that is what we should be doing here. This government is very fond of talking about a level playing field. In many ways we have turned Canada and the United States into a common market. Well, what about telecommunications? What about this area of using this new technology called telephones? Does it really make sense that the United States of America bans almost all kinds of scanners while we take a different approach?

• (1600)

We say it is fine to use the scanners but if you snoop or go too far then we are going to throw you in jail or fine you. I think this is one place where perhaps the two countries should be moving in parallel lines. They should be moving together.

The United States attacked this problem first through banning scanners. I think we should do the same. Perhaps not all scanners should be prohibited. If we were to revisit this matter at some other time and look at it from a different angle, we may decide that there should be one or two kinds of scanners allowed for particular purposes.

We could discuss that at length. We could really study that. That is something that we could put off to another time. I think right now we have to reiterate and make the

point that there is a technical solution. It is there and we should try to take advantage of it.

Let us not forget the United States has gone down this road. Why do we not do the same? One other thing that my esteemed colleague from Mount Royal said was this: "There are already some prohibitions in the Radiocommunications Act." It is possible if we are intent on criminalizing, fining or sending people to jail. Maybe it can be done already under the Radiocommunications Act.

I wanted to put those remarks on record. I hope that the government will take them into account.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, here at this third reading of Bill C-109, it is a useful point in time for me to perhaps reflect on our role in opposition in this place.

We have a bill that addresses several pressing concerns in the public interest. There are elements of the bill that we in opposition have some difficulty with. There are other parts of the bill with which we do not. Therefore one has to address the issue of how one would deal with the entire package at third reading.

I am rather inclined to support the bill at third reading, notwithstanding some of the deficiencies which I would like to note now.

Over the last three or four years there has been a series of decisions emanating from the Supreme Court of Canada which in effect have called upon the state to regularize and create a framework within which the police and agents of the state carry on their work of law enforcement.

In the initial instance, those decisions were interpreted as being a real negative toward our law enforcement officials. One of the either intended or unintended effects of those decisions which were known as Wong, Duarte and Garifoli was the prohibition by the Supreme Court of Canada on our policemen wearing what has been called the electronic lifeline.

This would be a body pack, a transmitter, a recorder that enables the police officer to be in touch on an audio basis with his or her command. That electronic lifeline was used frequently and most notably in undercover operations when a policeman or police woman would be inserted into a crime situation where one can understand there is danger. The support crew for that undercover officer would be able to hear what was going on.

In the event there was a problem, those people could respond appropriately without having to wait for the 25-cent phone call, which would never come in some of these cases. The Supreme Court said that was illegal, even though that was not otherwise prohibited in Canadian law. Even though this House, this Parliament had never said it could not be done by the police, the court said it may not be done.

• (1605)

While I have reservations about the way we arrived at these conclusions I accept that the court has a role in interpreting our charter and in giving direction to Parliament and Canada's provincial legislatures. We now have a provision in this bill which regularizes and creates a framework for the use of that electronic lifeline.

Canada's police forces have been operating without that lifeline for approximately two to three years. I am not aware of any unfortunate implications of it for police forces. It may be that investigations or certain investigative techniques had been abandoned temporarily but in any event we now authorize within a framework the use of that electronic lifeline.

There are other minor portions of the bill that one could question. One that I had noted earlier and I would bring to the attention of the House now for the record is the prohibition section in section 193.1 which purports to prohibit a number of things including the wilful disclosure of the radio-based cellular phone call data. Not only does it prohibit the disclosure of the contents of the phone call, but it also very expressly prohibits the wilful disclosure of the existence of the phone call. It was my sense that that may be going a little bit too far from a practical point of view.

There are a number of people who would in the ordinary course of their work become aware of simply the existence of a cellular phone call, including the people who make up the cellular telephone bills. With regard to this section, wittingly or unwittingly, because really notwithstanding the fact that I attended the committee hearings, I did not hear a good explanation. I will just paraphrase the material words here: "Every person who wilfully discloses the existence of such a communication is guilty of an indictable offence", the communication being not the content of the communica-

tion but merely the existence of the cellular phone call. That is an indictable offence.

If I were a phone employee now I do not think I would want to send out a bill and say "Mr. Customer, you made a cellular phone call on March 24", because wittingly or unwittingly this section appears to make that an indictable offence. However, that is a minor flaw. We will see how that evolves in the fullness of time.

The government has taken an approach here in dealing with cellular telephone calls that does not prohibit the interception of cellular phone calls. It does not prohibit the interception. The government decided that it would only prohibit interception where there was malice, where it was made for gain or where the interception was made of a cellular communication that had been encrypted. In those three instances the government decided that would be an offence. I am sure most members agree that those should be offences.

What the government has not done is proscribed and prohibited all interceptions of all cellular telephone calls. My colleagues here today have made reference to that. One of the reasons why the government says it did not want to do that is because, and I think I have got the answer right, there are too many scanners, that is the equipment that intercepts these phone calls. There are too many potential offences, too many potential interceptions, therefore we should not prohibit them. I dispute that logic. I think it would have been most appropriate to prohibit the interception. That is the act we are all targeting here. That is the act we do not want to see.

• (1610)

If the government's logic holds true, which is there are too many interceptions so there would be too many offences taking place, why does it not use the same logic in relation to theft? I am sure there are many thefts going on in society: big thefts, little thefts, thefts of cigarettes, thefts of pencils, thefts of automobiles, thousands of thefts.

If the government says there are too many of these offences out there so it will not bother prohibiting them then why do we not get rid of the offence that is known as theft under $1,000. Why do we not just write it off the books if there are too many out there that we cannot keep up with them all and let them all go? That is not logical.

The government should not have been prepared to abandon all cellular telephone users to fate. I would remind the House of what has been is known as the Wilhelmy affair in which a bureaucrat within the Quebec government had her cellular telephone conversation intercepted and disclosed. What would have happened if either the existing law before this amendment had been interpreted to include cellular phone calls or if there had been a law in place that said people may not ever intercept or disclose a cellular phone call?

If those laws had been in place in that fashion we would never have known about that particular phone conversation because whoever intercepted it would not have made it available to the media. If he or she had made it available to the media illegally the media would not have published it because the existing law says it is an offence to disclose and make public the contents of a private communication.

All the government really had to do here was to prohibit the simple interception of a radio-based or cellular telephone conversation or amend the law, as the private member's bill which I introduced into the House and which was spoken to on Friday proposed, so that we would simply treat cellular telephone conversations the same as regular telephone calls. Ordinary telephone line-based communication is protected and we simply had to do the same thing with the cellular telephone call.

In any event the government chose not to do that. It chose as well not to follow the route chosen by our neighbour to the south in the United States. It has banned at a date in the near future, I think it is 1994, the import or manufacture of all scanning equipment that is capable of intercepting cellular telephone calls.

Presumably the effect of that would not be to outlaw existing equipment which could continue to be used on into the future but over time existing equipment would become outmoded by changes in technology. Therefore the U.S. Congress avoided what would have been confiscation of the existing scanning equipment from its owners.

It has chosen a date in the future to ban the import or manufacture in the United States of all such equipment. Ultimately reality would catch up to the law, technology would overtake the existing equipment's ability to intercept, and it would have achieved its purpose.

In this country the government has chosen to do a fancy foot dance in an attempt to address its perception of the difficulties. It is not the route I would have chosen as a legislator. It is the one that has been put before the House and we will simply have to live with it the way it is.

• (1615)

The defence bar, the body of lawyers across Canada who usually are retained for the defence of those charged with criminal offences, has given evidence to the justice committee and to the legislative committee that reviewed this bill. It has concerns about some provisions in this bill.

Its concern is with reference to provisions that make it easier for the Crown to convict those charged with offences, that make it easier for the Crown to collect and introduce evidence into criminal cases. To be fair to the defence bar it also has a very real concern for the rights and liberties of the subject. The rights and liberties of someone charged with a criminal offence are the same rights and liberties that we all have and the bar has concerns about those.

Throughout all of our history there has been a continuing movement of the line between what our rights and freedoms are, what our obligations are as citizens, and what our crimes are. That line is moving every year around here. It moves back and forth, assisted very ably by the Supreme Court of Canada and the Charter of Rights and Freedoms. The defence bar has brought these matters to our attention. I for one am cognizant of them.

The provisions of this bill that would authorize certain testing of individuals, all with a judge's order, and authorize the collection and use of evidence, all within a statutory framework, perhaps make it easier for the state to carry on its functions of prosecuting, apprehending, investigating and seeing to the due application of the Criminal Code. However I do note, as do other colleagues in the House, the concerns that have been raised. Hopefully we will not have to look back at this and see that we have made a mistake.

I will close with one item that should be on the record. I have not heard it articulated yet in this debate. In this legislation we are in a sense sending the pendulum back a little bit from the direction it was perceived to have been going in over the last decade or two. That has been in favour of individual rights and liberties and away from some of the collective liberties, some of the collective rights that we had established for ourselves in this country.

As that pendulum now swings back toward the collective rights we place certain authorities and powers in the hands of our police forces, in the hands of our agents of the government. What I wanted to note was that as we do that this House will have to continue to be vigilant on how the state, the police, and agents of the state use those powers. If the authorities granted under this statute are to be used and used properly then we as Canadians will not have difficulty. If there is somewhere out there one agent of the state, one policeman, who unwittingly, foolishly makes a mistake I cannot forgive him or her in advance. They will pay whatever price is appropriate.

I would register for the benefit of the House and for the benefit of the record my concern on the issue and my hope that these powers, these authorities, these mechanisms, these legal devices, the framework which the Supreme Court of Canada has called for and which we are now legislating, which will be put back into the hands of the police for the due enforcement of our code, will be respected in the letter and in the spirit and we will not have cause to reconsider them in the future.

• (1620)

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to begin by reassuring you that I am going to stick to this bill and I am not going to talk about the funeral in Toronto last week at the Scarborough van plant where 3,500 people lost their jobs, direct jobs, which was a direct result of this government's policy over the last four years.

What concerns me about this bill is with regard to the small business person. About eight or nine years ago when the cellular system became very popular many small business people contracted with a cellular company to take up the cellular phone system. There was never any question at that time that the discussions they were having were anything other than private discussions.

For most small business people who use the cellular phone system today it is no different than the regular phone. People actually operate their entire businesses from their cars with the use of their cellular system. Quite often there will be situations in which sales forces

will be out in their cars and they will be making reports to their offices, reports on sales calls, prices on sales calls, they might talk about discounts they are giving to their clients, and they will talk about marketing strategies. Most of the small business people I have talked to are not aware that discussion is like talking on a radio and the chances are pretty high that everything they are saying is being picked up by someone else.

This can lead to a type of espionage. As more and more people develop the ability to use the scanning systems then people's efforts to sell their products and services can unknowingly be subverted. Even though we are sympathetic to the fact that the police must have support and access so that they can use electronic surveillance where there is a potentially dangerous situation, and even though we are sensitive to streamlining the Criminal Code, we have to be very forthright with the people of Canada that these cellular phone systems are not what most people think they are in terms of security.

I realize more and more people are buying these scrambling systems but I think that these scrambling systems should almost be a part of the cellular phone itself in order to make these conversations we are having on these phones secure.

If we do not address this notion of privacy and protection for the small business person then eventually the cellular phone companies are going to experience a tremendous backlash. That backlash will not only affect their business but it will also affect the efficiency of the small business person.

• (1625)

Remember, many people started using these phones many years ago to help improve their business efficiency. In my city of Toronto, where there is a lot of traffic, one can get up in the morning, drive to work and use the phone while sitting in traffic. One might be stuck in traffic for an hour but all the time one can be communicating with various business colleagues or customers or making appointments and setting up meetings. This has improved the efficiency of our small business sector which has helped the bottom line and ultimately helps the treasury of Canada. A highly profitable business ultimately is of benefit to all Canadians.

If all of a sudden small business people lose faith in the cellular phone system, it is going to slow down the efficiency of our greatest job creator. It will not just be the cellular companies that will end up being hurt by this backlash, where people will fall away from using the system, but it will also cause the price of the product to go up because the same efficiencies will not exist.

In my view, the way to counteract the current dilemma is maybe to get together with the cellular system and say that we want a system that when a cellular phone system is sold, included in the package is a scrambling device so that privacy will be maintained.

The other thing we are duty-bound to communicate to those people who are using cellulars is that they are in fact highly susceptible to scanning devices that are in the marketplace right now which allow people to listen to all conversations. I really cannot imagine people using a cellular system if they thought that the difficulties they were having with their bank manager were public knowledge.

I cannot imagine people using a cellular system if personal difficulties they were having within their own companies with other employees were public or other people were listening to this in a designed way. They would not continue to have the same eagerness to live on the cellular phone.

I cannot imagine real transactions of a substantive nature, whether they be ideas for selling, or cost of selling product or service, or marketing designs or ideas, or real tactical exchanges that go on within a company in order to have a competitive edge, going on over a cellular system if the people who had these systems realized that their conversations were open to the public, not unlike the conversations you would have with a radio talk show host that would be going out to maybe 200,000 to 300,000 people.

As my colleague from Scarborough—Rouge River said earlier today, there are some areas within this bill to which the government has not been sensitive. I certainly could not support it in its current form.

Ms. Mary Clancy (Halifax): Mr. Speaker, again I rise on this matter, having spoken to it both at second reading and report stage, and again draw to the attention of all of us who will be voting on it—and those reading

their newspapers—that this bill has a lot of inherent danger.

Bill C–109 is an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act.

• (1630)

My colleague, the member for Mount Royal, introduced amendments to the bill that would enhance the security of using cellular phones. The general intent of those amendments was to remove the Criminal Code offences and the radio telecommunications act offences because we believe they are the wrong instruments for dealing with cellular privacy.

The point is that the government is using a cannon to kill a gnat. One of our first amendments was to strike out the Criminal Code section, making it an indictable offence with a five–year prison term for anyone convicted of maliciously or for gain intercepting a radio–based telephone communication.

On our side of the House, in our party, we agree with the Privacy Commissioner who said that he would have preferred a more technical means of dealing with cellular privacy. We too believe we should try this approach before charging and ultimately convicting people who overhear a cellular phone conversation.

It seems so simple. Why? I ask this question with the greatest of respect to those drafting the bill on the government side of the House. Why not ban the scanners? Is this difficult? Is this hard to figure out? Is there something we are missing over here?

We have asked this question in committee. We have asked this question in the House. We have asked this question of any number of people on the government side and we have yet to receive any kind of answer, not even an audible one. The question remains, why not ban the scanners?

There is need for the government to take this technological approach to the matter. The Federal Communications Commission in the United States has rules requiring that scanner receivers be incapable of tuning or readily being altered to tune within the bands allocated to the domestic public cellular radio telecommunication services.

This seems relatively simple. This seems relatively sensible. This seems to be the kind of response that you would want to have in this particular situation. Why would you want to bring the full weight of the Criminal Code to bear on this relatively inconsequential situation?

This is interesting. I have just come from a briefing by officials of the Department of Justice on some other legislation. We talked about the fact that the legislation, again amendments to the Criminal Code, was what we call an electable offence. It was one of those offences where the Crown can decide whether to go by way of a summary or an indictable offence.

When I questioned why not go by way of an indictable offence in this area, one of the things that the justice officials reminded me of, and I think is an important thing to be taken into consideration here, with an indictable offence with a five–year penalty, is the added cost to the provinces of pressing an indictable offence charge.

First of all, you must have a preliminary hearing with its attendant cost, the bringing in of witnesses, the Crown prosecutors and possibly the police officers and expert witnesses. If a magistrate decides there is enough evidence to warrant binding over for trial, then you go back and do the whole thing over again at even more cost to the public purse to go through the trial.

How much simpler it would be to ban the scanners. I am really asking. I do not understand this.

The rules and regulations will prevent and prohibit frequency converters being used in conjunction with scanners that receive or can easily be modified to receive cellular transmission and require scanners be incapable of converting digital cellular transmission to voice audio. I do not see the problem with passing this kind of law rather than using, as I said before, a cannon to kill a gnat.

Canada should follow. In so many cases, we blindly follow the Americans. We blindly follow the Americans in policy. We blindly follow them into the OSS. We blindly follow them on this, that and the other thing. Why, for a wonder, when they have done the right thing through their Federal Communications Commission do we not follow their experience and use the proper technological legislative response as opposed to using the Criminal Code? In this respect the government is simply putting the cart before the horse. It is telling Canadians they can have the equipment but they cannot use it. The government also proposes that persons be

imprisoned up to two years or fined $25,000 who use or disclose a radio-based telephone communication or who use or disclose the mere existence of such a communication. Although we are not encouraging the interception of cellular calls, we have great difficulty on this side of the House with creating an offence that could jail people unnecessarily.

• (1635)

As I have said before, as my colleague from Mount Royal has said before, as my colleague for Scarborough—Rouge River, my colleague Cape Breton—The Sydneys, my colleague for Broadview—Greenwood and on and on and on, my colleague from Hamilton I am sure will be adding his voice to this when he speaks later in the debate, ban the scanners. Do the sensible thing. Do the simple thing. Do the least costly thing. Do the least intrusive thing.

It is absolutely amazing that the government, which is constantly saying there is too much government, adds another layer of amazing criminal law in an area that could be handled by technological amendments. It is bizarre.

We support the banning of scanners, but at the same time we do not want to fill our jails with people who intercept cellular telephone calls. In the grand scheme of things this certainly may be a manner of breaking the law. It is a form of an offence, but a jailable offence? There are other things in this country with which we should be more concerned. There are other things we should be thinking of putting people in jail for rather than intercepting cellular phones.

I have said it before and I will say it again. Anyone who uses a cellular phone without knowing that half the world could be listening probably should not be allowed to have that kind of technology at his or her disposal. Everyone from politicians in British Columbia to the Prince of Wales have had bad experiences with the interception of cellular phone calls.

When I spoke at second reading on this matter I mentioned the somewhat unhappy experience that the Liberal Party in Nova Scotia had last year during its leadership convention when a senior executive with the telephone company, and who should have known better the ways and means of intercepting cellular phones than a senior executive of the telephone company, actually phoned into the computer centre to find out what the tallies were in our non-existent vote. That was overheard by some young computer expert in Halifax who then sold the tape to the CBC, who then with great glee published the tape.

I can assure you it was not a stellar day for the Liberal Party in Nova Scotia for a variety of reasons. However as most of us were saying at that leadership convention, we all knew this could happen. Most of us in this Chamber have cellular phones in our cars or in our brief cases. Is there any one of us who is not aware of the possibility of interception?

I have said before and I will say again that I have had an experience where I have been speaking to colleagues over the cellular phone and I have had to go home and phone from my own telephone to find out what it was we were talking about because we have become so oblique on cellular phones just to make sure that we will not say something we would not want to read in a daily newspaper or hear on television. We have all had that experience, every one of us.

The idea that Canadians have to be in some measure protected because they do not understand the technology and protected by the Criminal Code of Canada, I am afraid I just find it ludicrous.

I can hear a phone ringing right now, Mr. Speaker. I think it is very interesting. It is obviously an omen. It may be for the Minister of Labour. Does he think so? No, he is shaking his head. It is not for him. The Minister of Labour is far too knowledgeable about technology to depend upon cellular phones.

• (1640)

We support the banning of scanners but at the same time we do not want to fill our jails with people who commit these offences. There has to be a more tangible and more sensible means of monitoring scanners and monitoring and controlling the use of these transmissions. I believe, and the Liberal Party believes, that the technological approach is obviously the best.

We should take steps to inform Canadians. This is really important. I know the Minister of Communications has said this on occasion, but I think it needs to come across more that cellular phones are radios. They are not telephones like the telephones we use in our homes. They are radios. Radio waves are different from

telephone communications from house to house and from house to office. It is not a regular phone. It is subject to interception by scanners. Anyone among the Canadian populace who did not know that these conversations are susceptible to interception must have spent the last several years on Mars. However, for those people who did not know that we as members of Parliament and the Department of Communications, the minister and so on, can all bring our considerable abilities in communication to bear to let Canadians know that they are subject to interception on these cellular phones and to act accordingly.

Even as we speak, the technology of cellular phones is being improved. As we move from the current analog system into digital cellulars it will become increasingly difficult to intercept the calls. Yet here we are rushing to judgement and changing the Criminal Code for something that we do not need to do. Until such time as we know that the technology will prevent the interception let us deal with technological means to control the interception. No matter what steps we take people are going to keep on using cellular phones because of their convenience, obviously. This is sensible and we all know this. Some people are going to continue to intercept them.

On the grand scale of things it does not really rate up there with major criminal offences in this country. It does not. If what happened to the Prince of Wales several months ago happened 500 years ago the interceptor might have been decapitated. We have perhaps progressed from that stage to the 1990s and we do not need to use such extraordinary means to deal with what is ostensibly a fairly minimal offence.

Canadians need to be informed of the consequences of using their cellulars. They do not need to be jailed because of their use.

The Acting Speaker (Mr. DeBlois): Before resuming debate it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Parkdale—High Park—National Defence; the hon. member for Notre-Dame-de-Grâce—Montreal Economy; the hon. member for Hillsborough—Veterans Affairs; the hon. member for Saanich—Gulf Islands—Trade.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, as always I am privileged to have the opportunity to rise in this place on behalf of the constituents of Hamilton West in my hometown, this time to speak to Bill C-109. It is a bill being tabled by the Minister of Justice. It includes Criminal Code amendments as well as changes to the Crown Liability and Proceedings Act and the Radiocommunications Act.

I know my colleagues are dealing with its wire-tap provisions with which we are generally agreed. I want to focus for a few minutes on the cellular communications and privacy aspects of the bill, as have been discussed even as recently as by my colleague from Halifax.

Let me say from the very beginning that I and my Liberal colleagues believe that we need to achieve greater privacy in communications. There is no question of that. We believe there are a number of concerns that need to be addressed. We have attempted to do that, be it at first reading of this bill, second reading, report stage and even prior to that at committee stage. We sat in committee and discussed privacy matters with members of the House from all sides.

• (1645)

The fight against the so-called nuisance junk phone calls that bother seniors in our ridings and families at home continues. How many times have we had to get up? It always seems that these marketing firms always think things through and assume that the most likely time people will be home is at the dinner hour. We are sitting with our family, enjoying our chicken, potatoes and corn and then the phone rings. Who is it? It is somebody selling something. Even more insulting, it is some computer voice that is kicked onto the telephone line.

Then there are the business people and professional offices that are often interrupted. Their privacy is interrupted. We also have to find a way to stop the nuisance of junk fax messages that are now making trouble for businesses and professionals.

In my own constituency office in Hamilton the fax machine kicked in and out came a request to purchase comics books at a discount rate from an American

distributor. An American firm was doing the faxing. At the top it said: To MP Stan Keyes. They do not even know what MP means or anything else over in Buffalo.

Mr. Bellemare: How come you are on their list?

Mr. Keyes: How did I get on their list? I have no idea. The list of members of Parliament is a quick list and maybe some of us would be interested in that stuff so they take their chance and fax out their message. Then I looked quickly to find out where it came from. I wanted to call these people and let them know that I was a little more than disappointed that this kind of stuff is sent to my fax machine without my being asked.

Fax paper is expensive. Cling-cling, cling-cling, it just keeps chugging out of the machine for these marketers to attempt to get their message into our offices and to us.

Of course there is no listing of the company that is sending out this material to our offices. It is rather disappointing. I even had a letter just last month from a doctor. I did not check with him so he will not be named. I did not ask him if I could use his name. He is a surgeon at St. Joseph's Hospital at McMaster University. He wrote to the Minister of Communications. He writes:

> I understand—the above bill which was tabled in March 1992 includes the misuse of fax machines for the purpose of transmitting unsolicited information and advertising.
>
> I am writing to strongly protest the use of fax machines for the above purposes.
>
> The fax machine which I use for my surgical practise is for the transmission and receipt of medical documents, many of which are urgent. In the past few months, this machine has been bombarded with unsolicited advertising from companies offering jobs and computer equipment for sale.
>
> I urge you to bring about an early resolution to this problem.

It is not a problem that is unfamiliar to anyone in our ridings. Just imagine. A medical practitioner, a surgeon, quickly makes a call to a outfit that deals with something that is important to his practise or what he may be doing in surgery in the operating room in short order and he wants a response. Yet he has to wait for the "Will you buy a comic book faxed from Buffalo?" to finish going through his fax machine before he can get this information that is critical to him and his work as a medical doctor.

A blocking caller ID service was something the phone companies first resisted but have now fortunately relaxed their opposition to. In a very general way we need to take steps, although often at the provincial level, to restrict the flow of people's personal information from being gathered, assembled or circulated electronically by all kinds of these new enterprises, enterprises I suspect that probably originate right out of someone's basement.

• (1650)

What is the cost of putting a fax machine or a piece of equipment on a phone line out of your basement and saying: "No problem, you want your material known to individuals for purchase, I have a list". Maybe this enterprising individual has a master list of thousands of names and phone numbers and he or she may be able to disseminate the information and the availability of a particular product right out of their basement.

These concerns are all part and parcel of the concerns that we as legislators and the public policy-makers face in this information age. So many new questions have come our way.

While the list of issues in this area is quite long, suffice it to say that the bill we are dealing with on cellular privacy is just one example of how the age of high-tech is making matters of personal information a key public policy challenge of the 1990s and in particular of the baby-boom generation, I might add.

What is the problem, Stan? That is the question people are asking. Canadians have traditionally used a telephone that hangs on the wall or maybe in the bar downstairs, the old-fashioned one with the big, black, heavy receiver and the dial on it. This is a wired system and pretty private for the most part. Cellular phones are a very different ball of wax. In fact they are radio phones that pass calls along a series of cells in the public domain on the public airwaves.

The key difference is that this problem is not readily recognized by every cellular phone user. Let us face it, everyone who uses a cellular phone must realize that he or she is in fact making a radio call on that lightweight and very portable phone. Maybe we should adapt the old phrase, "let the buyer beware" to our new information age and let the user beware, cellular calls are radio calls. In short, people should stop expecting the same privacy they achieved with their hard-wired telephone in their

kitchen or in their bedroom as they would with the cellular call.

Let us talk about what the minister is trying to do with this bill. I guess it was Joan Rivers who said: "Can we talk", and we are going to talk. We are going to talk about the government that has stood by this bill the way it is despite all the sensible amendments that were brought forward at report stage and prior to this in committee.

My colleague, the member for Mount Royal, put forward all these sensible amendments. We want Canadians to know what the minister is doing with this bill. The Criminal Code, as we have been told by this bill, is being amended to make it illegal to intercept a radio-based communication or cellular call.

The principle behind this action is supported by this side of the House, members of my party and myself. But the problem is that this bill is making anyone who does so guilty of an indictable offence, which is anything over two years in prison and liable to imprisonment for a period or term not exceeding five years. Over two years and under five years is a very strong measure to take, to say the least. Have we tried some other more common sense approaches, maybe a little simpler? Does it go too far? Personally, yes, I think it does go too far. An indictable offence? Does it hit with too big a hammer? Probably in the first instance, yes I think it does.

In our view, after the committee study and the report stage, we have to say this is the wrong step. We gave the government the suggestions on this particular aspect of this bill.

• (1655)

On this issue we concur in fact with the Privacy Commissioner who said at the legislative committee: "I favour a technical answer if one can be found". A technical answer is not such a difficult concept. We can put a person on the moon but we cannot figure out a way to scramble a message off a cellular phone.

If the minister opposite is in his car or I am in my car and we want to call home or we have an important call to make that may have to be private for one reason or another, there must be some technical way of scrambling that signal. There has to be a way and I am sure we could find it. We pride ourselves as Canadians as being advanced in this area. I think we could find an answer to that.

The Privacy Commissioner went on to say: "If limitations on the manufacture and distribution of scanning equipment were the answer I would favour that too". There is an interesting concept, limitations on the manufacture and distribution of scanning equipment.

What if we sat back and asked are we going to put into the court process all these individuals who are listening on their scanners and then jump in on them at home or wherever they are listening on their scanners and charge them with an indictable offence, something over two years, fine them maybe to boot, take up the court's time, fill up our jails? Or, we could say: "Wait a minute let us put the brakes on that for a second. Maybe an easy way of doing this would be to ban the scanner".

You are sitting in your livingroom with a device that listens in on private conversations between two or more individuals. That seems rather odd. Because you have an inquiring mind and you like to have some fun or you enjoy listening in on a scanner, you decide you are going to sit at home and listen in on the cellular telephone conversation between myself and my wife or myself and a minister on behalf of a constituent with a legitimate concern.

Why do we not prohibit the use of that scanner? In other words why go through this process of going through the court system, jamming something else in there and filling our jails with people who are eavesdroppers? Let's ban the device that allows them to eavesdrop. In other words, like the Privacy Commissioner, we are not convinced by those who said a technical approach would not work. I think we have to try it first. After all it has not been tried so let us give it a shot. Should we not try that balanced approach that makes sense before this hasty move into the Criminal Code? It makes a lot of sense to us.

Clause 12 was another interesting section that would create an indictable offence for wilfully disclosing the existence or contents of intercepted radio-based telephone communications without the express or implied consent of the originator or intended recipient of the communication.

A very weighty move by Parliament, to decide that using or disclosing the knowledge of a cellular phone caller is also an indictable offence. After serious consideration we still have serious problems with the

aspects of the government's approach. The basic questions remain.

Can it reasonably be enforced? Is it the most practical approach to solving the problem? Having read through what we have attempted to do with this bill, C-109, having heard my colleague, the eloquent member for Mount Royal, attempt to make not outrageous, not even sensitive suggestions to this government by amendments, we concluded that after the committee process the government had acted hastily in resorting first to the Criminal Code rather than pursuing a more technical means to resolving the problem. I think we have just got to say no, it just does not make sense.

• (1700)

Mr. Speaker, I thank you and this House for the time to comment.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I too take pleasure in debating Bill C-109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act.

It is interesting how quickly the Minister of Justice is prepared to bring changes to the Criminal Code over something that probably could be prevented, as the member for Hamilton West said, by technology. We have very sophisticated technology and I think we have the technology to probably solve this problem with modern sophisticated technology instead of trying to work it in to the Criminal Code.

It is interesting how after four years of representations in this House by the Official Opposition the present Minister of Justice and the former Minister of Justice would not make any changes to the Criminal Code to make communities safer against repeat sex offenders, against hard core criminals who have served part of their sentences and then are released back into the community. That is where Canadians were asking for changes to the Criminal Code. Somehow all of our representations there fell on deaf ears.

My residents are approaching judges and the police now to even prevent some of the hard core criminals from receiving bail. I know it is the right of every Canadian to receive bail and to be out on bail while awaiting sentence, but there are some criminals who if they are out on bail will repeat the same act whether it is another molestation of a child or another rape of a young girl or even leading to a more severe crime of murder. The residents of Parkdale—High Park are saying: "Your Honour, this person should not be given bail because he or she would be a danger on the streets".

I am pleased to say that some judges are now listening to the residents. Residents can actually make representations in front of judges. I know of a few cases where the judges have listened and refused to allow bail for someone because the community has convinced the judge that by releasing this person the person may be a danger to the community.

Any changes that we bring to the Criminal Code, whether it is protection of cellular phones, whatever, I think we have to keep in mind the safety of the community, the safety of the individual homes, be that home in an apartment or in a condominium, be it a private dwelling. Any changes we make to the Criminal Code must always take into account the safety of individuals and communities.

We have stressed for so long in this country the rights of the individual and that we should not lose sight of. But I think we have come to a stage in the development of our society in Canada where we have to ask: "What about the rights of the innocent victim?" The police and the residents of the communities are complaining that the criminals are given more protection than the community. We made many representations in this House about the minister bringing in changes to the Criminal Code to prevent drug pushers.

• (1705)

Many times I have drawn to the minister's attention how the residents can identify the crack houses. They will give this address in my riding, they will give that address. They know the drug trade that is going on in this 24-hour doughnut shop. They know the drug trade that is going on in this restaurant. Just last week another stabbing occurred in a local restaurant in my riding. I will try to avoid using names for the protection of these businesses in my riding.

For years residents have been saying: "Please close this 24-hour doughnut shop because that is where the crimes are committed". "Please take the liquor licence

away from this restaurant because that is where the crimes are committed". It took another act of violence to maybe finally close some of these locations.

How many times, Mr. Speaker, have you heard me talk about the problems of the prostitutes on our streets and how they are wrecking, ruining, beautiful communities because parents are afraid to send their children to school. They are finding condoms on the street. They are finding syringes in the sand-pits. If the children go to play in the sand-pit the parents are afraid that they will get stung with a needle that may carry AIDS. The children from playing in a sand-pit can also pick up AIDS.

I am very proud of my residents in Parkdale because they finally said: "Enough is enough. If you the court system won't do it, if you the police won't do it, if you the politicians won't do it, we will do it". They are taking to the streets and they are doing it.

Five or ten years from now, Mr. Speaker, you will be reading headlines about our community in Toronto, how the community through community involvement is reducing and driving out the criminal element from our community because we got to the stage where the criminal element was stronger than the community element; stronger than the combined businesses, and they are organized under the business improvement association; stronger than the ratepayer groups, because we have ratepayer groups in every quadrant of my riding; stronger than the educational system which works closely with the community. The criminal element was stronger than all of these community institutions and organizations put together. No more. Now the community is getting stronger.

I am very pleased that our party has put forward a position paper on how we intend to reduce crime in our society, how we intend to make amendments to the Young Offenders Act and how we intend to bring standards back. With regard to deregulation, I mentioned in this House before this government seems to have a psychosis about deregulation. It feels that society runs better when we remove all regulations.

An hon. member: You sound like a Conservative.

Mr. Flis: The member said I sound like a Conservative. If the Conservatives practised their ideology and their philosophy then we would have safety in our communities, but they have abandoned governing, they have abandoned management. They said: "We'll just let the private sector do it". The private sector can do it, but the private sector needs rules and regulations.

When we take all these regulations away, what happens? Since I spoke on a similar topic just a week ago, I have received another letter from a constituent, Mr. Sterling. He is very involved.

• (1710)

He is helping people with heart conditions, stroke conditions and lung conditions through CB radios. They have saved lives. Through CB radio they can contact an ambulance and contact the police. They have saved many lives doing so.

They cannot do so now because this government has decided to deregulate CB radios. The Minister of Communications even said that cellular phones, which we talked about in Bill C-109, are not like the regular telephones. Cellular phones are like CB radios. If the government will do to cellular phones what it has done to CB radios, many in my community are going to take up arms or something. They cannot live with what is happening now.

Mr. Sterling wrote to me indicating that foul language, threats, warnings about Mafia, co-ax being cut, echo mikes, roger beeps, music, sound effects and all this are supposed to go against the rules and regulations set forth by the Department of Communications.

When CB radios were regulated and this kind of interruption went on, they soon got a visit from someone from the Department of Communications who put a stop to it. They cannot seem to do this. Someone from the Department of Communications paid some of these abusers a visit. They came back to Mr. Sterling and said: "Yes, we did visit the person who was doing all these interruptions but sorry, we cannot do anything about it". They are the ones who have low respect for others, especially women. I mentioned before in the House how they will curse women, run down women and use foul language on the airwaves.

Unless we get back some regulations the same thing will start happening on cellular phones. Anything that will help clean up the airwaves, be it cellular phones or CB radios, I am all for. As our critic always says we need some regulations that will bring order to our communications system. They will give us certain standards to live by.

In a letter dated April 27 a constituent wrote:

Dear Jesse:

I called the Department of Communications today and I spoke to the inspector I have been communicating back and forth with and once again I mentioned to him about Chicono, the ham licence operator who is still getting on the CB radio and making the noise that he is not supposed to be making. Tony, the inspector, said that he paid this guy a visit and was told to get the *f* out of here. Tony said that he had to leave as there is nothing else that he could do.

Jesse, this is wrong. Here is a person who paid for a ham licence and he gets away in talking this way to a guy who works for the government. Yet he can still keep his licence. What kind of world are we living in?

Yes, Canadians are asking what kind of world are we living in. What kind of society are we building? We were categorized as the number one country by the United Nations in 1992. If this government continues any longer will we get that distinction again? I doubt it. We will probably be in 25th or 30th place. Let us clean up our act. Hopefully this bill will help us in this regard.

I would like to refer to another issue I am pleased the bill addresses. It addresses the whole area of electronic surveillance used by the police. The hands of the police are being tied more and more.

• (1715)

When I have town hall meetings with ratepayers the police are invited from No. 11 Division and No. 14 Division. I talk to the police individually and in groups with the community. There is no greater co-operation among police, educators, ratepayers and businesses than I have in Parkdale—High Park.

Every time we have these meetings we end up with frustration because the police say: "I lay a charge and I see the offender on the street the next morning". Some say: "I lay a charge and I see the person prostituting the same evening". They know who are the drug pushers. They know who are the purchasers but it is the pushers they are after. They cannot make charges stick. It goes to the courts and there is not enough evidence. The judge throws it out. After a while I am sure the police must throw up their hands and ask: "What is the use?"

I am all for anything in this bill that will allow police to use electronic surveillance where there is a potentially dangerous situation. Anything in this legislation that will allow judges to authorize such surveillance with the consent of one of the parties involved in the surveillance has my full support. I am all for anything in this legislation and in the amendments that are brought in to allow judges to issue similar authorization in other circumstances where it is clear the request for authorization meets the tests prescribed in our Charter of Rights and Freedoms.

I have a great concern about our Charter of Rights and Freedoms for which I spoke in caucus. I fought very hard for some items to be included in the Charter of Rights and Freedoms. Our own party constitution respects the rights of the individual. I joined the Liberal Party so that I could represent the whole spectrum of society. I do not have to take my orders from the multinationals. I do not have to take my orders from the big unions. I can respect the rights of the individual by representing the individual as a Liberal member.

I am concerned whether we have gone too far in granting individual rights to people. Have we forgotten about the rights of the community? Have we forgotten about the rights of the family which is falling apart more and more? Maybe we had better rethink our Charter of Rights and Freedoms. Maybe we had better even rethink our constitutions in our parties.

We cannot look at the rights of the individual at the expense of the poor victims, of the poor children who are being sexually molested as infants. Child pornography is coming into this country. Why are we so helpless? Why are we so gutless that we cannot even stop that literature from coming into our country? Where are the standards of this country? We all have to take blame: you in that chair, Mr. Speaker, my colleagues in my party, my colleagues in the Conservative Party and my colleagues in the New Democratic Party. We all have to share a bit of responsibility. If have we allowed this country to lower our standards to that level then I share some of the blame.

I hope everyone will look at Bill C-109. I hope they will support all the clauses which give the police more teeth. Enough is enough. We cannot send our police out without any tools. Let us give them back the tools they once had and they want. It is not only the police. The community wants the police to have these tools or this authority.

Something I know about Canadians is that they do respect authority. Canadians do respect law and order. Just give them the opportunity.

• (1720)

Canadians do respect others. I saw a wonderful theatre play in my riding in Parkdale on Sunday. Young teenagers and young adults put on a play warning young children how not to become street kids. What an excellent idea.

In this play a girl got pregnant being a street kid. She had nowhere to turn. This theatre group gave alternatives where this girl could turn so if a girl found herself in a similar situation the information given by this theatre group would help her.

Solutions are coming from the children in the community. I know you are telling me to sit down. Thank you for allowing me to again express the concerns of my residents of Parkdale—High Park as well as concerns of Canadians from coast to coast to coast.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to call it six o'clock?

Some hon. members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

Adjournment Debate

NATIONAL DEFENCE

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on April 26, I posed a question to the Acting Prime Minister in the absence of the Secretary of State for External Affairs for the Minister of National Defence.

I asked about the crisis in Srebrenica where 150 Canadians soldiers have put their lives on the line as UN peacekeepers. They have found themselves in a very dangerous situation because the government did not take the advice of the opposition about holding a full parliamentary debate about the nature of the mandate of our peacekeeping troops in light of the changing role of the United Nations and in light of our role changing from a peacekeeping nation to a peace-making nation.

We know that Britain and France refused to send any additional soldiers. We know that additional Canadian soldiers were stopped by the Serb soldiers so they could not come.

I am pleased that today another peace pact has been signed. I hope that all three parties will live up to this new peace agreement. We have had so many signed before but never honoured. It is one thing to sign the peace agreements but it is another thing to honour them.

I hope that the minister is here today because the critic for the Liberal Party asked in Question Period today: "Madam minister, what is the mandate of our Canadian peacekeeping troops?" He also offered a full parliamentary debate on this issue to the government side. As late as today we still do not know what is the role of our peacekeepers. Is it to shoot in self-defence? Is it to protect the inhabitants of Srebrenica from whom all guns were taken and they are left there like sitting ducks?

• (1725)

I agree with the guns being taken away, but I think guns should have been taken away from both sides. Usually in peacekeeping, all arms are taken away from both sides. Our peacekeepers come in and make sure that this is honoured. Any little incident that breaks out, our peacekeepers then through negotiations, not through shooting, try to bring about a settlement. But our soldiers today do not know what is their role, they do not know what is their mandate. We have put them in a very dangerous situation.

I liked the headline I saw in one of the Ottawa newspapers today which read: "Trained to fight, sent for peace". That is true. We train our troops how to be fighters. What do we do with them? We send them to be peacekeepers.

We have to rethink the whole training program for our army. We have to start training them as peacekeepers now. That is why they are so respected even now, because they are peacekeepers. They have self-discipline. They know how to negotiate. But we are sending them into a much more dangerous environment and many of our troops are going to come back with very deep psychological problems, with very deep psychiatric problems, unless we address the situation and address it seriously.

I hope the parliamentary secretary will have some answers for us.

Mrs. Monique B. Tardif (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I was quite surprised to hear that the mandate is not clear. I think the mandate is quite clear. The over-all mandate which stems from UNSC Resolution 819 is to increase the presence of UNPROFOR with a view to monitoring the humanitarian situation in the safe area agreed to by the parties.

Demilitarization of Srebrenica was a step agreed to by the parties, not one proposed by the UN. In order to save some lives, UNPROFOR is helping both parties fulfil commitments made to each other.

Their task includes receiving weapons from the defenders of Srebrenica for the purpose of demonstrating to the attackers that they have no reason to attack. Their task also includes patrolling the safe area and establishing observation posts as a confidence building measure for the parties.

Another problem my colleague raised was the rules of self-defence which are equally clear. Should Canadian peacekeepers be attacked, they would fire back in self-defence. This is to say that they would use force if armed elements attempted by force to intrude into the demilitarized area.

Some 200 peacekeepers cannot be expected to resist a full scale attack. Should this occur, they would take shelter and other measures for their self-protection like everyone else and, as necessary, redeploy.

It should be remembered that the Canadian forces were deployed to Srebrenica in the context of an agreement and that UNSC Resolution 819 called on all parties to treat Srebrenica as a safe area.

Another point raised was training and equipment. The Government of Canada simply would not send a poorly trained and improperly equipped contingent on any mission.

The Acting Speaker (Mr. DeBlois): I am sorry, but the hon. member's time has expired.

THE MONTREAL ECONOMY

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on March 22 I asked the Minister of Finance and the Prime Minister to consider some new action to stimulate the Montreal economy and in particular to approve the municipal infrastructure program proposed by the Canadian Federation of Municipalities. This would be a tripartite program supported by the federal, provincial and municipal governments to fund the reconstruction of roads, sewers, water systems, bridges, garbage disposal units and so on. Not only would the infrastructure be restored, but in turn business investment would be attracted and create jobs.

• (1730)

The Montreal economy is in extremely bad shape, with stores boarded up all over the city, business after business failing, factory after factory closing. Here are some of the sad facts. The official unemployment rate is at 14 per cent, but the actual rate is 27 per cent if we count those who are no longer looking for work. Twenty-two per cent of families in Montreal are living below the poverty line which is higher than any other city in Canada. Another very sad figure, 25 per cent of Montrealers have less than grade nine education. One in five are living on unemployment insurance or welfare and about 10,000 youths are living on the streets without any homes.

There are 170 agencies receiving help, such as food banks to feed the poor. Last year those fed by food banks in Montreal increased by over 35 per cent. We understand there are 30,000 Montrealers dependent on food banks.

In terms of unemployment, income per capita and participation in the labour force, Montreal is now at the bottom of the list of North American cities with one

million or more population. These are shocking figures. The causes are many, some structural, some cyclical, some political. It has been due in part to the free trade agreement, in part due to high taxes, in part due to political instability with the continual threat of separatist politics and the restrictive language laws.

A week or so ago a panel made up of Marcel Côté, Louise Roy and Pierre Pettigrew said that the alienation of the English population in Montreal carries a heavy burden for that city with lost head offices, lost job opportunities and lost investment. More than 200,000 individuals have left Montreal since the passage of Bill 101 a few years ago. The city is not in good shape.

Once again, I ask the federal government to get together with the Quebec government and the city government in Montreal to help the city come out of the sad situation that it is in. In particular, I ask the federal government to participate with the provinces and the municipalities in the municipal infrastructure program. All the provinces are ready to go ahead with it. The cities are ready to go ahead with it. All we need is the participation of the federal government. It would give a great shot in the arm to Montreal and other cities right across this country.

[*Translation*]

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I am pleased to speak on the hon. member's question.

This government announced a program of strategic investment in infrastructure that will stimulate economic growth and job creation in the short term and will actually increase Canada's potential economic growth in the longer term.

I remind the hon. member that last December 2 the Minister of Finance announced new investments in public infrastructure of more than $2 billion over the next five years. These investments will directly create from 4,000 to 5,000 jobs a year.

In particular, this initiative provides up to $125 million in new funding for the improvement of Champlain and Jacques Cartier bridges in Montreal. This is in addition to what the federal government has already committed for the work under way on Montreal's bridges.

The investment program also includes funds for establishing partnerships to develop strategic transportation projects with the provinces.

The Minister of Transport is now working with the Government of Quebec to identify to which transportation projects the province gives priority. Good progress has been made in the discussions and construction work should begin this spring.

Although the infrastructure investment program applies to national transportation infrastructure, it will improve transportation systems and make it easier to travel in Montreal and several other urban centres across Canada. These investments will bring the city of Montreal important economic benefits.

• (1735)

[*English*]

TRADE

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my comments tonight flow from a question I put to the minister on March 30 with regard to water exports under NAFTA.

The government pleads that Canada's water policy prohibits the large-scale export of fresh water. But the federal water policy is a paper tiger that is not backed up by tough legislation. Legislation that would have expressively forbid the export of Canadian water died on the Order Paper in 1988 and it is not being revived.

The government also pleads that the implementing legislation for the FTA exempts large-scale water exports. But this legislation is now superceded by the free trade agreement as an international agreement and there is nothing in the free trade agreement that specifically excludes the export of water as it does raw logs and unprocessed fish.

Dr. Frank Quinn of the Federal Inland Waters Directorate admits that the Tory government is now reconsidering its position on water exports. At a recent water export conference Dr. Quinn noted: "There is every indication from comments made that this government is moving toward an export policy for water". The question remains whether the free trade agreement and the NAFTA endanger Canada's water.

Although the government argues there is nothing in either agreement which compels us to sell our water Canada's chief trade negotiator, Gordon Ritchie,

concedes that nothing in either of those agreements would prevent the Canadian government from redirecting water to south of the border.

Mel Clarke, former senior trade negotiator for Canada and a strong opponent of the agreements says the FTA and NAFTA endanger Canada's control of its water resources. Noted resource economist Wendy Holm and the Rawson Academy of Aquatic Sciences agree.

It is interesting to note that annex 301.9 which specifically excludes the export of raw logs and unprocessed fish is silent on the exclusion of water from export. Indeed, article 1401 of the draft NAFTA document contained a specific clause relating to non-energy pipelines. Through this provision the NAFTA document extends the possibility of water exports to include transport by pipeline. This is certainly cause for grave concern.

Even though water exports can impact dramatically on the environment, the FTA ensures that environmental reviews will be almost useless unless water is specifically cited as an agricultural good in the FTA.

The chapter of the FTA which defines the use of environmental concerns as justification for trade restrictions specifically pertains only to goods other than agricultural goods. Therefore water export cannot be stopped for environmental reasons.

There is grave concern about water exports. In my own province there is particular concern. The new government in British Columbia has initiated a public discussion on water management and has included water export as an issue. It has specifically asked that the public provide their views regarding safeguards required for bulk water export.

The previous Socred government issued six approvals for bulk exports and twenty more are currently under review. In March 1991 a moratorium was placed on the approval of any more bulk export licences and in May, just a year ago, that moratorium was extended.

Canadians have reason to be concerned about NAFTA and water export. I ask this government to stop the NAFTA deal.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am pleased to briefly respond to my hon. friend.

I have to say in all honesty that on this issue of water the NDP is doing what it is doing in a lot of areas with respect to NAFTA. It is trying to see bogymen in the closet and trying to convince Canadians that terrible, villainous, heinous things are going on that quite simply are not, as my hon. colleague has been told in response to questions raised in this House. Large-scale interbasin transfers of water for export would clearly be in violation of the Canadian federal water policy of 1987.

My colleague suggests that agreements signed by this government will allow the large-scale export of water. This is simply not the case and not true. Water in its natural state is not a product or a good capable of being traded any more than trees in the ground or oil and gas in the subsoil.

Only when water is harvested by taking it out of its natural state, allowing it to enter commerce by bottling it or shipping it in tanks for example does it become a good in the rules set out in trade agreements.

Interbasin transfers of water are something completely different as they do not involve the trade of water as a good but rather the diversion of water in its natural state from its existing course. Water in its natural state is not covered in any respect under any international agreement including the NAFTA.

The government is aware of the concerns of Canadians in this question. I note that my colleague's own province of British Columbia has imposed a moratorium on water export that reflects our federal water policy. This government's position on water export is clearly stated in the federal water policy and the implementing legislation of both the Canada-United States Free Trade Agreement and the North American free trade agreement. Nothing in these agreements gives either the United States or Mexico access to Canadian waters.

The bottom line is that Canadians governments, both now and in the future have the freedom of action required to regulate the exploitation of our water resources.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The motion that the House do now adjourn is deemed adopted. The House therefore stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 5.41 p.m.